



Strengthening Health Outcomes
through the Private Sector (SHOPS)
Year One Annual Report
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In partnership with Banyan Global, Jhpiego,
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Acronyms

A2F	Access to Finance
ABC	African Banking Corporation
AGPMPN	Association of General and Private Medical Practitioners of Nigeria
AGPNP	Association of General Private Nursing Practitioners
AMfB	ACCION Microfinance Limited
AOTR	Agreement Officer's Technical Representative
ART	Antiretroviral Therapy
BCC	Behavior Change Communication
BoP	Base of the Pyramid
BRAC	The Bangladesh Rehabilitation Assistance Committee
BRHC	BroadReach Health Care
CBN	Central Bank of Nigeria
CCA	Corporate Council of Africa
CCM	Country Coordinating Mechanism
CEPEP	<i>Centro Paraguayo de Estudios de Poblacion</i>
CMS	Commercial Market Strategies
DCA	Development Credit Authority
Dfid	Department of International Development
DHS	Demographic and Health Survey
E&E	Europe and Eurasia
FP/RH	Family Planning/Reproductive Health
GDA	Global Development Alliance
HANSHEP	Harnessing Non-State Actors for Better Health for the Poor
HCT	HIV Counseling and Testing
HiA	Health in Africa
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HMO	Health Management Organization
HRH	Human Resources for Health
HS	Health Systems
HS20/20	Health Systems 20/20
HSA	Health Systems Assessment
HSR	Health Sector Reform
HSS	Health Systems Strengthening
ICT	Information Communication and Technology
IFC	International Finance Corporation
IHEA	International Health Economics Association
IMFB	Integrated Microfinance Bank
IMS	Intercontinental Marketing Services
INPPARES	<i>Instituto Peruano de Paternidad Responsable</i>
IPHS-eC	International Private Health Sector e-Conference
IPPF	International Planned Parenthood Federation
IPS	<i>Instituto de Previsión Social</i>
IUD	Intrauterine Device
J&J	Johnson and Johnson
LAPM	Long-Acting and Permanent Methods
LAPO	Lift Away from Poverty

M&E	Monitoring and Evaluation
MBS	Market-Based Solutions
MCFW	Managed Care & Family Wellness
MCH	Maternal and Child Health
MDA	Market Development Approaches
MDA WG	Market Development Approaches Working Group
MDCN	Medical & Dental Council of Nigeria
MFI	Microfinance Institution(s)
MMMTI	Mayanja Memorial Medical Training Institute
MOH	Ministry of Health
MOU	Memorandum of Understanding
MSI	Marie Stopes International
N4A	Network for Africa
NGO	Non-Governmental Organization
NHIS	National Health Insurance Scheme
OBA	Output Based Aid
OGAC	Office of Global AIDS Coordination
OHA	Office for HIV/AIDS
OPIC	Overseas Private Investment Corporation
OR	Operations Research
PE	Private Equity
PEPFAR	President's Emergency Plan for AIDS Relief
PLWHA	People Living with HIV/AIDS
PMP	Performance Monitoring Plan
PMTCT	Prevention of Mother-to-Child Transmission
PPP	Public-Private Partnership
PS	Private Sector
PSP- <i>One</i>	Private Sector Partnerships- <i>One</i>
PSWG	Private Sector Working Group
QAP	Quality Assurance Project
RHSC	Reproductive Health Supplies Coalition
SFH	Society for Family Health
SHOPS	Strengthening Health Outcomes through the Private Sector
SBM-R	Standards-Based Management and Recognition
SME	Small Medium Enterprise
SOTA	State-of-the-Art
STI	Sexually Transmitted Infection
STTA	Short Term Technical Assistance
SWOT	Strengths Weaknesses Opportunities Threats
TA	Technical Assistance
TB	Tuberculosis
TBD	To Be Determined
THT	Total Health Trust
TMI	Total Market Initiative
TOT	Training of Trainers
UCSF	University of California, San Francisco
UGAFODE	Uganda Agency for Development
UNAIDS	United Nations Joint Programme on HIV/AIDS
USAID	United States Agency for International Development

USG	United States Government
VCT	Voluntary Counseling and Testing
WB	World Bank
WG	Working Group
WHO	World Health Organization
WMA	Whole Market Approaches
ZANACO	Zambia National Commercial Bank

Introduction

Overview of the SHOPS project

The Strengthening Health Outcomes through the Private Sector (SHOPS) project is a new five-year (2009-2014) Leader with Associates Cooperative Agreement, funded by the United States Agency for International Development (USAID), with a mandate to increase the role of the private sector in the sustainable provision and use of quality family planning/reproductive health (FP/RH), human immunodeficiency virus (HIV)/acquired immune deficiency syndrome (AIDS), and other health information, products, and services.

SHOPS builds upon decades of USAID support and leadership in private health sector programming, with an emphasis on exploring and advancing private sector innovations. The project serves as USAID's primary vehicle to support core funded FP/RH activities in the private sector. It also serves as a mechanism to program field support for USAID Missions that do not issue their own Associate Awards under the SHOPS Leader.

Over the life of the project, SHOPS will continue to promote a stronger and expanded role for the private sector in health by establishing partnering relationships with key global agencies and organizations, and will engage new partners such as European donors and large foundations. Previous projects conducted by USAID have established a global body of evidence on how to involve the private sector in providing health care. SHOPS will build on this evidence, both by advancing knowledge through innovative uses of research and by conducting an annual International Private Health Sector e-Conference (IPHS-eC), at which stakeholders can share information. In addition, SHOPS will focus on identifying, adapting and scaling up new and innovative models and technologies to engage with the private sector.

The SHOPS Results Framework will provide overarching guidance for both core and field funds, and will set the ultimate objectives for all project activities in this work plan.

SHOPS Results Framework

Project Objective: Increase the role of the private sector in the sustainable provision and use of quality FP, RH, HIV/AIDS and other health information, products, and services

Result 1: Strengthened global support for state-of-the-art (SOTA) private sector FP/RH and other health models, approaches, and tools

- 1.1 Partnerships established with key global agencies/organizations to provide leadership in private sector programming for health
- 1.2 Policy dialogue, collaboration, and partnerships between the public and private health sectors enhanced
- 1.3 An environment supportive of the private health sector promoted

Result 2: Knowledge about and understanding of private sector provision of FP/RH and other health information, products, and services advanced

- 2.1 Programmatic and operations research (OR) conducted to evaluate and/or validate promising private health sector models, approaches, and tools and the findings widely disseminated
- 2.2 Key topics related to the private health sector identified and global data compiled, analyzed, and disseminated
- 2.3 Effective monitoring and evaluation (M&E) conducted to support accomplishment of project goals

Result 3: Key private health sector systems strengthened and innovative, effective, and sustainable private sector FP/RH and other health programs initiated, implemented, and scaled-up

- 3.1 Effective private sector service delivery and distribution models to increase access to and use of FP/RH and other health products and services strengthened, demonstrated, and/or scaled-up
- 3.2 Targeted private sector behavior change communications and marketing strategies to increase access to and use of FP/RH and other health products and services implemented
- 3.3 Strategies to improve market segmentation, viability, and sustainability identified and employed

Result 1: Strengthened Global Support for SOTA Private Sector FP/RH Approaches, Products and Services

Overview

Under the Private Sector Partnerships-*One* (PSP-*One*) project, Abt Associates and its partners pioneered a mainstreaming strategy that defined and communicated the contributions of the private sector in achieving FP/RH and other health goals. SHOPS will continue its focus on mainstreaming to ensure that USAID continues to play an active role in shaping global dialogue on private sector approaches. Result 1 focuses on three strategies to build support for collaborating with the private health sector. First, capitalizing on existing relationships, SHOPS will reach out to form new alliances with European donors and large foundations. Second, SHOPS will build public sector capacity to interact with and engage the private health sector. Using the Network for Africa platform created by PSP-*One*, SHOPS will strengthen the Network's ability to provide the latest information on private sector approaches to health care and will build the skills of Ministries of Health (MOHs) in working with this sector. Finally, SHOPS will intensify its mainstreaming efforts at the country level—working with USAID and local stakeholders—through policy dialogue and partnerships.

Sub Result 1.1 Global partnerships established

Objectives

SHOPS will establish new and important partners through strategic alliances, and will strengthen the Private Sector Working Group (PSWG) to advance the global health community's understanding on how to engage the private health sector.

Summary of key activities and outputs for Sub Result 1.1

Activity 1.1.1a Develop partnerships with European donors and sponsor private sector events

During Year One, SHOPS will conduct a review of European donors with private sector portfolios and identify opportunities to collaborate with them or to jointly fund programs. SHOPS will explore possible ways the project can support and/or coordinate with the newly created Department of International Development (Dfid) initiative Harnessing Non-State Actors for Better Health for the Poor (HANSHEP). Various donors are attempting to engage and harness the private health sector as a means to strengthen health systems and to improve poor people's access to health care and their health outcomes. HANSHEP aims to bring these donors together and coordinate their initiatives.

Anticipated Year One outputs:

- Review of European donors with interest in private sector initiatives conducted; and
- Opportunities for new partnerships with European donors identified.

Accomplishments during this reporting period:

SHOPS delayed engaging European donors while the design of HANSHEP unfolded and USAID defined its role in this new multi-lateral entity. During the 4th quarter, SHOPS designed an updated mainstreaming strategy targeting European donors, the SHOPS team completed a landscaping exercise of key European donors and groups working in the private health sector area and conducted stakeholder interviews. (SHOPS completed the landscape activity as a precursor to the stakeholder meetings). To design an updated mainstreaming strategy targeting European donors, the SHOPS team completed a landscaping exercise of key European donors and groups working in the private health sector area and conducted stakeholder interviews. (SHOPS completed the landscape activity as a precursor to the stakeholder meetings). In June, a SHOPS team traveled to Europe to meet with many of the European stakeholders identified in the landscaping scan—DFiD, Global Funds, the United Nations Joint Programme on HIV/AIDS (UNAIDS), and the World Health Organization (WHO). Based on the stakeholder analysis, SHOPS proposed a strategy to engage and collaborate with European actors - the Private Sector Forum - to foster communication, coordination, and more importantly, collaboration between USAID and other European donors and their implementing partners. The Forum will primarily be a virtual meeting place for implementers, hosted on the SHOPS website. In addition, the Forum will host an annual meeting bringing together thought leaders and implementers to discuss emerging trends, highlight achievements, and identify new topics involving the private health sector. USAID approved the proposal, and SHOPS will launch the Forum this fall, possibly at the HSR Symposium.

In Year One, SHOPS identified the opportunity for a new partnership with Pharmaccess and tentatively identified areas of collaboration. Pharmaccess would like to collaborate on sharing training materials to build small/medium private sector providers' business skills.

During this reporting period, SHOPS also pursued several opportunities to present and/or sponsor high-level events. This included:

- Serving on the advisory committee for the Corporate Council of Africa's (CCA's) annual meeting in Washington, DC, to take place in October 2010. SHOPS has been very active in organizing the CCA's conference—shaping the overall agenda, proposing moderators and presenters for three sessions, and identifying African private sector leaders to fill in on other conference sessions.
- Participating in the organizing committee for the Private Sector Pre-Event at the International Health Economics Association (IHEA) conference scheduled for July 2011 in Ottawa, Canada. Given the long timeframe until the 2011 IHEA conference, the organizing committee agreed to propose a private sector session at the WHO Health Systems Research Symposium this fall.

Activity 1.1.1b Explore partnering opportunities with international financing organizations

SHOPS will work to increase funding to the private health sector by forging new partnerships, including a Global Development Alliance (GDA) where appropriate, with groups such as the International Finance Corporation (IFC), the Overseas Private Investment Corporation (OPIC) guaranteed Africa Healthcare Fund, the Acumen Fund, and Kiva.

Anticipated Year One outputs:

- Explore partnering opportunities with at least one international financing organization to increase access to financing for private FP/RH providers.

Accomplishments during this reporting period:

In Year One, SHOPS lay the groundwork for new partnerships with groups such as the IFC, the Acumen Fund, and Kiva. Partnering opportunities were explored with the IFC as dialogue was initiated between USAID's Office of Development Credit and the IFC's Health in Africa Initiative, on potential opportunities for collaboration to increase access to finance in Sub-Saharan Africa through local commercial banks. The IFC participated in SHOPS's Network for Africa (N4A) webinar on "Increasing Access to Finance to Expand the Private Health Sector," in Year One; and additional collaboration is planned for Year Two. The Acumen Fund and SHOPS have initiated discussion on future areas of partnership. These include a possible Acumen Fund credit line for loans to nursing students, and pre- or post-investment support for Acumen Fund health care investees to expand their ability to access finance and expand services in Africa. Discussions with Kiva are preliminary. Year Two activities may involve providing virtual technical support to Kiva microfinance partners, to expand their ability to lend to the private health sector.

Activity 1.1.2 Expand the role and function of the PSWG

The PSWG will play a growing and important role under SHOPS. The PSWG will increase its membership to include other global partners—including European donors—and formalize its role as a mechanism to foster dialogue on working with the private sector and exchanging best practices for doing so. In Year One, SHOPS will establish a five-year strategy, one purpose of which will be to strengthen the PSWG. The kick-off meeting for the PSWG under SHOPS will be held during the first quarter of Year Two. In addition, SHOPS will finalize the e-Learning modules of a private sector course for USAID's global e-Learning series.

Anticipated Year One outputs:

- Develop five-year strategy for PSWG; and
- Finalize and upload private sector e-Learning course.

Accomplishments during reporting period:

SHOPS developed a short-term strategy for the PSWG, which will continue its mandate of mainstreaming the role of the private health sector within USAID. The PSWG will expand its technical focus on FP/RH and include USAID staff and their implementing partners in other key health areas such as HIV/AIDS and maternal health. The PSWG will meet biannually and follow a similar meeting format to that of the PSWG under PSP-*One*. SHOPS will hold its first PSWG meeting in October 2010.

A core mission of the PSWG is the development of joint activities. Under the prior project, the PSWG developed a draft e-Learning module on the private health sector for the USAID Office of Global Health's on-line learning platform. SHOPS finalized the six e-Learning sessions for the course entitled "Commercial Private Sector Basics," which is now available on the USAID Global Learning website.

Sub Result 1.2: Policy dialogue enhanced between public and private sectors

Objectives

Fostering a supportive policy environment through active dialogue and partnerships between the public and private sectors will be critical. SHOPS will build the public sector's capacity to engage with the private health sector over the life of project.

Summary of key activities and outputs for Sub Result 1.2

Activity 1.2.1 Strengthen N4A platform

To assume stewardship of the private sector, governments of developing countries will need new skills. Using the Network for Africa (N4A) platform, SHOPS will focus on developing a cadre of public sector staff who can provide strategic advice on the private sector, offer implementation support, and build capacity within their own governments to work with the private health sector. SHOPS Year One activities will: i) expand the number of member countries, ii) strengthen the N4A platform, iii) increase the number of interactive events, and iv) include developing and conducting a webinar.

Anticipated Year One outputs:

- Add three new member countries;
- Integrate into the platform several mechanisms to improve interactivity among network members (i.e. webinars, blogs, on-line chats); and
- Conduct a webinar on how to achieve reproductive health objectives by increasing access to finance for the private health sector.

Accomplishments during this reporting period:

The SHOPS team drafted a strategy to expand N4A membership, outlining three main strategies: 1) sponsoring events in French to attract Francophone countries; 2) promoting the N4A through multiple channels including other organizations' contacts and networks; and 3) identifying an African entity to eventually assume all responsibilities—management, technical, and promotional—during the life of the project.

The N4A is now completely bilingual. The website has been translated and several important PSP-*One* documents are now available in French. The Health in Africa Initiative (HiA) is working with N4A to grow the virtual community with an emphasis on West African countries. Moreover, SHOPS will hold, in partnership with the IFC HiA Initiative and World Bank Health Systems Outcome group, an event targeting West African countries. This technical exchange will be held in Ouagadougou this September. Both the IFC and World Bank have agreed to sign a Memorandum of Understanding (MOU) for this partnership.

N4A started with 230 members from 15 countries; it now has 316 members, 52 of whom have joined since September 2009. It now has representation from the following countries: Ethiopia, Ghana, Kenya, Mali, Nigeria, Rwanda, Sierra Leone, South Africa, Tanzania, Uganda, India, Egypt, Lebanon, Guatemala, France, Senegal, United Kingdom and United States. Three of them are new under N4A.

SHOPS continues to push out private sector information: in Year One SHOPS sent out two e-Letters, organized an on-line chat on micro-insurance, and conducted a webinar on Access to Finance. The Micro-Health Insurance on-line chat, held May 18th, attracted strong field interest from 10 countries. Managers from African health insurance programs, researchers, and MOH officials participated on this call. There were 59 users registered for the Micro-Health Insurance on-line chat and 34 active participants in the chat.

The webinar on Access to Finance, held June 23-24, introduced core topics on finance and credit for private health sector providers. Presenters from the IFC HiA, Accumen Fund, African private banks, and private providers presented at the webinar and on-line chat. There were 132 registered; 30 active participants in the Day 1 on-line chat and 34 active participants in the Day 2 on-line chat. In all, there were 23 countries on-line for this event and 73 participating organizations. The webinar was specifically intended to help increase access to finance for the private health sector to achieve reproductive health objectives. The event was designed to update African government and international donors on the importance of finance for the growth of the private sector as part of a well-functioning health system, the barriers to accessing finance that currently exist, and African initiatives that have successfully increased access to finance for the private health sector. An impressive number of diverse registrants participated in the conference: 114 individuals logged on, with representation from 26 countries including Kenya, Nigeria, Madagascar, Ethiopia, Tanzania, Ghana, South Africa, Uganda, Liberia, Malawi, Rwanda, and Sierra Leone. Participants also hailed from North America, Latin America, Europe, and Asia. The webinar brought together participants from a wide array of organizations: African governments, donor agencies, multilateral development banks, investment banks, commercial banks, investment funds, non-profit organizations, foundations, Non-Governmental Organizations (NGOs), private health care businesses, donor project managers, and others.

Sub Result 1.3 Supportive policy environment promoted

Objectives

The private sector—who it is, what it does, what motivates it—is often not well understood at the country level. During Year One, SHOPS will develop an advocacy and mainstreaming strategy—targeted to USAID and other donors’ field missions and host country governments—to address knowledge gaps and barriers to private sector programming.

Summary of key activities and outputs for Sub Result 1.3

Activity 1.3.1 Develop a mainstreaming strategy for countries

In Year One, SHOPS will develop private sector presentations and materials that Mission staff can deliver at USAID’s regional SOTA meetings promoting the value of private health sector approaches to meeting local health goals. In addition, SHOPS will develop a module on technical approaches to supporting the private health sector by increasing access to finance and business development support for the Global Health e-Learning platform. Missions will be able to access this platform to increase their technical knowledge about programming to support the private health sector.

Anticipated Year One outputs:

- Develop mainstreaming strategy for countries;
- Create advocacy materials for Missions; and
- Begin developing an e-Learning module for the Global Health e-Learning platform, on “Healthy Business: Strengthening and Growing Private Health Care Provision,” targeted to the field.

Accomplishments during this reporting period:

SHOPS developed a draft mainstreaming strategy for countries during the 4th Quarter. As part of its advocacy efforts, SHOPS provided assistance to the Africa Bureau in identifying a keynote speaker for the March 2010 meeting in Kigali. This meeting was a follow-up meeting to the 2009 Global Meeting on Repositioning FP/RH, held in Kampala. The Kigali meeting targeted high-level African Ministry officials with the objective of drafting action plans to put FP/RH back on MOHs’ agendas. The Africa Bureau requested an individual from the African private health sector who could present successful examples of private sector participation in FP. SHOPS identified three candidates. SHOPS also drafted an article on the role of the private health sector in contributing towards FP efforts for the Repositioning e-Letter. This e-Letter is widely read by USAID Missions, MOH staff and FP practitioners in Africa.

In Year One, SHOPS initiated the development of a module on technical approaches to supporting the private health sector by increasing access to finance and business development support for the Global Health e-Learning platform. The first draft of the module was created and submitted for technical review. The purpose of the module is for missions and governments to access technical knowledge and thereby increase their understanding of programming to support the private health sector.

Result 2: Knowledge about and Understanding of Private Sector Provision of FP/RH and Other Health Information, Products, and Services Advanced

Overview

A strong evidence base is critical both in successfully advocating an increased private sector role in health and in designing effective programs. Activities undertaken to achieve this result will involve generating, analyzing and disseminating essential information. This includes monitoring and evaluating the project's own work, as well as contributing to the global body of knowledge and research on the private health sector.

Sub Result 2.1 Programmatic and operations research conducted to evaluate and/or validate promising private health sector models, approaches, and tools and the findings widely disseminated

Objectives

Under Sub Result 2.1, SHOPS will collaborate with the mHealth Alliance and Johnson and Johnson's (J&J's) Baby Center web-based platform to demonstrate text messaging's effectiveness in behavior change.

Summary of key activities and outputs for Sub Result 2.1

Activity 2.1.1 Determine the effectiveness of text messages in changing FP/RH behaviors

Mobile-phone text message campaigns are used increasingly to complement other efforts to educate consumers, build awareness, improve compliance with treatment, strengthen provider-client relationships, and increase use of FP/RH services. But there is limited research assessing the impact of text messages on health behaviors. SHOPS will conduct a rigorous research study in collaboration with the mHealth Alliance and J&J to determine whether receipt of text messages via J&J's BabyCenter platform is associated with measurable changes in behavior.

Anticipated Year One outputs:

- Identify study site and partner(s) who use text messaging to improve health behaviors; and
- Design evaluation protocol.

Accomplishments during this reporting period

SHOPS initiated development of a research protocol to evaluate the efficacy of the BabyCenter text message service for pregnant women/new mothers in New Delhi, India. The proposed approach, developed in collaboration with the mHealth Alliance, had involved a randomized case/control study of seven indicators with a population of 2,000 women, to be recruited through participating antenatal clinics. However, prior to the study launch, USAID/India declined to support the SHOPS research, in order to limit new core-funded activities and thereby better manage Mission resources. SHOPS explored the potential to transfer the protocol to a field-based project, but it was determined that BabyCenter's target population did not align with the Mission's priority segments for reproductive health services in India. BabyCenter is identifying new research partners. During Year Two, SHOPS will continue to explore opportunities to conduct a longitudinal research study to measure the effectiveness of text messages on FP/Maternal and Child Health (MCH) attitudes, intentions, and behaviors.

Sub Result 2.2: Key topics related to the private health sector identified and global data compiled, analyzed and disseminated**Objectives**

In Year One of the project, SHOPS will work to advance knowledge about the role of the private sector through innovative uses of existing data and research. SHOPS will also maintain the project's high visibility within the public health community and the commercial sector through strategic participation in global events.

Summary of key activities and outputs for Sub Result 2.2**Activity 2.2.1 Update *State of the Private Sector Wall Chart***

The role of the private sector in health care and service delivery is continually evolving. To document the changes of the past five years, the *State of the Private Sector Wall Chart*, produced by PSP-One in 2005, will be updated. The updated chart will inform the work of SHOPS over the next four years and inform the global health community about the impact of the private sector on health.

Anticipated Year One outputs:

- Compile and analyze wall chart data.

Accomplishments during this reporting period:

During this reporting period, this activity was paused due to SHOPS staff personnel changes and prioritizing project activities and funds. After discussions with Agreement Officer's Technical Representative (AOTR) team, a decision was made to cancel this activity.

Activity 2.2.2 e-Conference on mHealth technologies used to strengthen FP/RH services

The recently launched mHealth Alliance is interested in co-sponsoring an e-conference segment with SHOPS, either as part of the soon-to-be-launched mHealth Public Square, as part of other planned mHealth awareness activities, or through a stand-alone virtual conference. The purpose will be to highlight particular mHealth applications with the potential to improve the efficiency and effectiveness of FP/RH programs. The primary target audiences will be donors, program implementers, and potential information communication and technology (ICT) partners. Panel participants will present promising tools, research, and practices related to use of mobile phones to enhance FP/RH access, equity, and quality.

Anticipated Year One outputs:

- Co-host one e-conference on mHealth applications relevant to FP/RH programs.

Accomplishments during this reporting period

On May 5, 2010, the SHOPS project and the mHealth Alliance co-hosted an annual e-conference, “How Can Mobile Phone Technologies Improve Family Planning, Maternal and Newborn Services in the Developing World.” The conference was designed to advance knowledge about innovative uses of mobile phone technology to improve access to and use of quality reproductive health and maternal/newborn health services. This year’s theme was mHealth, which is the use of mobile technology to improve health program effectiveness and efficiency.

The global conference attracted 770 registrants from more than 60 countries, including 22 from Africa, 13 from Asia, and 9 from Latin America. Organizations represented include NGOs, universities, consultants, Ministries of Health, foundations, government agencies, contractors, and multinational donors. Thirty separate projects presented detailed strategies, results, obstacles, and solutions in this rapidly evolving field. Experts from Grameen Foundation, Pesinet, Catholic Relief Services, Millennium Villages Project, and many other private and public sector organizations shared important tips on how to identify the right partners, plan for long-term sustainability and evaluate mHealth outcomes.

The conference was designed to attract participants from across the globe, including health practitioners, donors, researchers, health care service providers and mHealth solution developers, and all those interested in the topics of family planning and maternal/newborn health services in the developing world—particularly how these services can be improved with modern information and communications technology, especially wireless.

SHOPS Communications staff coordinated internal trainings to manage the iCoherence-based website; managed and executed design, layout and development and maintenance of the e-conference website; and disseminated several rounds of email marketing to widely promote participation in the on-line conference.

Activity 2.2.3 Information dissemination through participation in global events

SHOPS will participate in select conferences, events, and consultative forums—e.g., the International Conference on Family Planning: Research and Best Practices in Uganda and the 2010 Global Health Council Conference—to promote the role of the private sector in health.

At these events, as appropriate, we will sponsor booths, disseminate appropriate materials, support staff presenters on key topics, and promote SHOPS’s objectives and the resources available to the communities. In addition, SHOPS will disseminate tools and articles through channels such as the Corporate Council for Africa, a Frontline article and distribution through links on global partners’ websites.

Anticipated Year One outputs:

- Hold a half-day expert panel event on the private sector; and
- Develop and disseminate key resources and project materials.

Accomplishments during this reporting period

On June 14, 2010, the SHOPS project hosted a two-hour private sector Expert Panel, “Crossing the Divide: Reaching the Poor with Commercial Health Networks and Franchises,” at the 2010 Global Health Council Conference. The event was widely promoted throughout the community, resulting in over 100 attendees; key PSP-*One* publications and SHOPS marketing materials were also disseminated. The Expert Panel explored the far-reaching ways in which the private sector is an essential contributor to community health. Participants from LiveWell, Kenya; LifeSpring Hospitals; and Dahlberg Development Advisors shared with Global Health Conference participants their experiences in working with the private sector to reach the poor through commercial networks and franchises.

A SHOPS staff member attended the International Conference on Family Planning in Uganda from November 15th-18th 2009, where she disseminated a variety of literature on promoting the role of the private sector in health. In addition, she gave three presentations: “Meeting the Family Planning Needs of Young Married Couples through the Private Health Sector: Evaluation of the Saathiya Youth Friendly Initiative in urban Uttar Pradesh,” “When One Size Doesn’t Fit All: Using Client-Centered Market Segmentation Analysis to Tailor Family Planning Interventions in the Philippines,” and “Building consumer markets for commercially viable products: The Locon F experience”

Activity 2.2.4 SHOPS Website

SHOPS will develop a robust, interactive public website and content management system to serve as the hub for communications and knowledge management for the life of the project. The site’s content will include, but not be limited to, reports, primers, briefs, tools, presentations, and other resources from SHOPS and the broader private sector health community. The site will be an on-line networking space with tools that foster a dynamic on-line community and forge collaborative relationships among SHOPS partners and other stakeholders. The website content will be formatted for widespread dissemination and easy use.

Anticipated Year One outputs:

- Enter into contract with web design firm; and
- Determine content for website.

Accomplishments during this reporting period:

The SHOPS project has successfully contracted with Homefront, a DC-based web design firm, to design, develop and deploy the SHOPS website, slated for a September 2010 launch. To date, a robust, interactive public website is being designed through the content management system Drupal, to serve as the communications hub and knowledge management tool for the life of the project. The content audit, information architecture, and content development phases have been successfully completed. Content for the website has been determined. The site will consist of four main level navigation tabs—Home, About SHOPS, Global Resource Center, and Global Collaborations—which will allow users to navigate to numerous sub-pages of related resources and content.

During Year Two, SHOPS will officially launch the website, maintain the site and continually update the content, including the Technical Resource Center. In addition, SHOPS will track and analyze website statistics and include them in reports to USAID.

Activity 2.2.5 Brief on public-private partnerships

There is growing recognition that the private commercial sector can and should make a greater contribution to improving health systems and health outcomes in the developing world. Consensus is less clear around what are the *sine qua non* elements of a public-private partnership (PPP) and what the term itself means. SHOPS will develop a brief proposing a definition of PPP and put forth some alternatives for categorizing PPPs.

Anticipated Year One outputs:

- Develop brief on PPPs.

Accomplishments during this reporting period:

A draft of the brief was developed during Year One. It has undergone internal and external review. It is currently being revised to address reviewer comments.

Sub Result 2.3: Effective monitoring and evaluation conducted to support accomplishment of project goals

Objectives

During Year One, the project will develop a performance monitoring plan (PMP) and a monitoring and evaluation (M&E) database. The M&E activities initiated in Year One will be used to measure the progress of the project through September 2014.

Summary of key activities and outputs for Sub Result 2.3

Activity 2.3.1 Develop monitoring and evaluation database

An M&E database will be developed to track the project's activities and impact. The system will synthesize and report on the project's work across global projects.

Anticipated Year One outputs:

- Develop M&E database; and
- Develop M&E plans for all core- and field-funded programs and incorporate these plans into database.

Accomplishments during this reporting period:

All core funded programs developed monitoring and evaluation plans. These M&E plans demonstrate how outputs contribute to SHOPS sub-results and results. In the absence of a Research Monitoring and Evaluation Director many M&E functions were carried out by part-time staff, which are less resource intensive.

Activity 2.3.2 Finalize PMP for SHOPS

The SHOPS PMP will monitor project activities. The PMP indicators will be focused around 18 private sector indicators developed under PSP-*One*.

Anticipated Year One outputs:

- SHOPS PMP approved by USAID.

Accomplishments during this reporting period:

The SHOPS PMP was finalized and submitted to USAID. The PMP focuses primarily on the 18 private sector indicators developed under PSP-*One*.

Result 3: Key Private Health Sector Systems Strengthened and Innovative Private Sector FP/RH and Other Health Programs Implemented and Scaled Up

Overview

As a leader in health systems strengthening (HSS) and private sector strategies, the Abt team understands that the private sector is embedded in a larger health system, and has successfully built critical linkages between the private and public sectors accordingly. Throughout the life of project, the SHOPS team will ground private sector strategies in a solid understanding of a country's health system and help to identify private sector opportunities that address long-standing challenges, promote promising approaches, and advance the next generation of innovations.

Sub Result 3.1: Effective private health sector service delivery and distribution models strengthened, demonstrated and/or scaled up

Objectives

SHOPS will identify, adapt, and scale up new and innovative models and technologies to engage with the private sector. During Year One, SHOPS will set the foundation for most of these activities so that results can be achieved by the end of the project.

Summary of key activities and outputs for Sub Result 3.1

Activity 3.1.1a Health innovations challenge fund

A challenge fund is an ideal vehicle to both (a) surface innovations in private sector approaches to health care, and (b) engage partners in the private sector and among the donor community to help take innovations forward. Year One of SHOPS will focus on developing a coherent design for such a fund to be rolled out in Year Two, taking into account existing funds, overlaps with other efforts in the field, and opportunities to leverage other challenge funds already in existence.

The design will include:

- Target participants (e.g., NGOs, firms, etc.), awards, and incentives to participants;
- Geographic scope and health sub-sector focus of the fund's activities;
- A high-level plan for fund management and implementation; and
- A plan for M&E of selected innovations for funding.

Anticipated Year One outputs:

- Develop Health Innovations challenge fund strategy.

Accomplishments during this reporting period:

SHOPS explored development of a challenge fund focused on surfacing and promoting promising and innovative private sector approaches to health issues. Specifically, this activity involved the collection and analysis of benchmarking data against a range of major design features of the fund, identification and engagement of key potential partners for co-financing and/or ongoing management of the fund once operational, and identification of potential partnership models and options for SHOPS involvement. Given that SHOPS did not possess the resources necessary to finance or manage this fund independently, partnership was a necessary component of the development of such a fund.

SHOPS has completed its benchmarking research on existing challenge funds or similar organizations across sub-Saharan Africa and other emerging economies, profiling over 20 such organizations and identifying data trends across a number of fund dimensions and the implications these have for our development of such a fund. These dimensions include, for example, fund objectives; geographies and sectors covered; application process and selection criteria; total fund size and average annual investments; award frequency, size and structure; primary financial backers and average donor contributions; ongoing monitoring and evaluation process and criteria..

The team has also engaged several potential partners to test their interest in partnership, and to gather their insights as to options for SHOPS engagement in the space. Based upon initial estimates of the resources available to SHOPS for this activity in Year Two, three potential options for SHOPS involvement were developed. Given that SHOPS does not have the resources to finance or manage such a fund independently, all options for SHOPS involvement were highly dependent on partnership with donor organizations and/or existing funds. Thus, any fund designs or partnership agreements developed based on current partnership opportunities would have an inherent shelf life, and become obsolete over time. Therefore, when it was believed that it would no longer be feasible for SHOPS to contribute sizeable capital to this project in Year Two through core funding, this activity was put on hold and efforts were diverted elsewhere (to Activity 3.1.1b). However, upon realization that SHOPS will indeed have sufficient capital to fund this activity in Year Two and beyond, it was decided that SHOPS would resume work on this initiative in Year Two.

Activity 3.1.1b Non-traditional distribution feasibility study

Typical Private Equity (PE) funds often have 5-12 investments, some of which have distribution networks for a range of products and services. PE funds that own controlling stakes in these entities have the ability to influence their investees, and if initiatives cover multiple investee firms, there can be economies of scale in procurement, etc. An increasing number of PE funds are focused on emerging markets in Africa, Asia and elsewhere, and these funds can potentially become a channel for innovation in the health space—particularly in developing a set of health care product/service distribution pilots that leverage existing investees’ distribution networks into rural and underserved areas. During Year One of SHOPS, we will identify a range of PE investors that have portfolio companies with distribution networks providing coverage of desired countries and reach.

Anticipated Year One outputs:

- Identify short list of PE firms in countries of interest; and
- Hold discussions with PE firms to test their interest and the feasibility of the concept.

Accomplishments during this reporting period:

SHOPS conducted a review of potential private equity partners in sub-Saharan Africa and India through secondary research, and assessed each potential partner across a number of dimensions. These dimensions include, number of companies in portfolio; total size of portfolio; countries reached by portfolio companies' distribution networks; types of products and services distributed by portfolio companies and their relevance to the distribution of health products and services; and degree of social mission.) Profiles have also been developed of over 10 potential partners, highlighting the capabilities of individual companies within their portfolios.

Based upon this analysis and SHOPS' s existing relationships with PE firms in the region, the team prioritized 5-10 potential partners for further investigation. SHOPS engaged each to test their interest in partnership with SHOPS, better understand the distribution networks and capabilities of companies in their portfolios, and assess the degree of influence and active management they exercise over investees of interest. As a result of these discussions one firm was determined to be a viable potential partner for this engagement, and further discussions with this firm will be pursued in Year Two.

Activity 3.1.2 Improving access to commercial contraceptives

Building on PSP-*One's* experience in assessing and partnering with generic manufacturers, SHOPS will join forces with a new initiative by the RHSC's Market Development Approaches (MDA) working group: the Quality Assurance Project (QAP).

The Gates Foundation is supporting the Coalition in this effort to incentivize generic manufacturers to apply for WHO prequalification. This is an important step towards ensuring the quality of FP/RH supplies now that the generic industry has become a key player in both the tender-based and private sector markets. The goal of this activity is to increase the number of prequalified generic manufacturers within the next two years, which may require education and marketing efforts, technical assistance, and investment by manufacturers in quality improvements.

The role of SHOPS will be twofold. First, SHOPS will provide a permanent member on the QAP's six-person steering committee, which is charged with identifying good company prospects, conducting testing and surveillance work, and identifying steps for helping manufacturers pre-qualify. Second, SHOPS will develop a marketing/public relations strategy to incentivize those generic manufacturers most likely to have the capacity and resources to prequalify. In addition, SHOPS will help raise awareness within the RHSC of the need to support only prequalified manufacturers, an important incentive for manufacturers to invest in the process.

Anticipated Year One outputs:

- Develop primer for RHSC members;
- Develop marketing material for manufacturers;
- Conduct a survey of 15-20 companies;
- Conduct in-situ assessments; and
- Develop company reports.

Accomplishments during this reporting period:

1) Project Advisory Committee

The QAP Advisory Committee (AC) was created during the November 4-5 MDA meeting in Washington. It includes five members, selected to represent the various skills and disciplines required for monitoring of the initiative and ensuring appropriate representation from the RHSC and MDA Working Group. The AC consists of the following individuals (in addition to the Concept operational team):

Name	Role	Organization
Ben Light	Oversight, advocacy and advisory	UNFPA Technical Services and Working Group Leader
Francoise Armand	Manufacture incentives, market analysis and advisory	Abt Associates
TBD	Perspectives and requirements of procurers	JSI-DELIVER project
Lester Chinery	Project lead and interaction with operational activities	Concept Foundation
Steve Kinzett	RHSC member coordination, data analysis and advisory	RHSC Secretariat

As a cross-cutting initiative, the project is supported as needed by the RHSC-Systems Strengthening Working Group (SSWG) led by David Smith (UNFPA). WHO will also play a significant technical and advisory role in the initiative and activities, and will be closely involved in determining the technical protocols and analysis of assessments as the project progresses.

The AC has convened by teleconference on a monthly basis since November 2009 to discuss progress on activities.

2) Company survey

A group of pre-selected hormonal contraceptive manufacturers were issued an invitation to participate in the project in December 2009. The companies were provided with a short CGMP Checklist to be completed and returned, together with a letter confirming their interest in participating in the project and submitting products for prequalification under the WHO scheme when appropriate.

3) Outreach activities

The RHSC members primer was canceled and replaced by a January 21 teleconference meeting of the RHSC Executive Committee on the topic of procurement issues within the membership. A study may be undertaken by the Secretariat to address the range of policies and conflicts/issues within the coalition regarding procurement from non-qualified manufacturers.

Activity 3.1.3 Increasing private sector provision of Long-Acting and Permanent Methods (LAPM)

SHOPS will design and begin to implement projects to increase the private sector's provision of LAPM.

Anticipated Year One outputs:

- Explore potential activities to increase LAPM provision with missions; and
- Identify potential MSI platform to conduct LAPM model.

Accomplishments during this reporting period:

Marie Stopes International (MSI) staff conducted a review of opportunities to increase LAPM within the context of SHOPS IR3. After an internal review of key countries, MSI identified the Philippines as a site to pilot the activity. A country visit was carried out in February by three key MSI headquarters staff (Director of Health Systems Department, Head of Medical Development and Senior Regional Director Asia). The MSI Philippines program expressed interest in the activity and is in the process of working on innovative models to improve LAPM, particularly through clinical outreach. MSI headquarters staff and the MSI Country Director met with USAID to discuss MSI's work in the Philippines and the potential SHOPS core-supported activity. The Mission approved the use of Core funds for this pilot.

Following assessment of the MSI Philippines outreach model, MSI's Head of Medical Development identified areas for improvement and developed a matrix/action plan of practices to implement to strengthen the model, improve record-keeping and follow up.

Data has been collected by MSI's program in the Philippines in line with the recommendations provided during the assessment.

Activity 3.1.4 Increase access to finance for private providers, and strengthen their viability.

In Year One, SHOPS will work to increase access to finance for private providers, through activities designed to engage and leverage new sources of financing for the private health sector in order to expand and improve FP/RH outcomes. SHOPS will identify challenges and opportunities to increase access to finance, and provide USAID missions with programming recommendations to support the private health sector in at least two countries. SHOPS will initiate programming in one country, Nigeria, to expand access to finance. SHOPS will also explore new Development Credit Authority (DCA) Guarantees opportunities for the health sector, and, where appropriate, recommend and structure new DCA guarantees. SHOPS will seek to support existing health sector DCAs with technical assistance to ensure that loans are disbursed to priority qualified borrowers.

Countries where this type of technical assistance could potentially be offered include Nigeria and Malawi.

Anticipated Year One outputs:

- Initiate programming in one country to expand access to finance for private providers.
- Determine finance needs and business development needs of private providers in at least two countries, and provide missions programming recommendations for increasing access to finance and strengthening market linkages.
- Support at least one DCA guarantee for the health sector (Nigeria).
- Develop a written brief for financial institutions, making the case for lending to the private health sector in light of the global financial crisis.
- Conduct at least one country needs assessment to determine business development needs of private providers.
- Develop one new training course to build the capacity of private providers.

Accomplishments during this reporting period:

SHOPS initiated programming in one country, Nigeria, to expand access to finance. SHOPS explored new Development Credit Authority Guarantees opportunities for the health sector in two countries—Nigeria and Malawi—and recommended structuring new DCA guarantees. SHOPS supported an existing health sector DCA with technical assistance to ensure that loans are disbursed to priority qualified borrowers. SHOPS laid the groundwork for field-supported activities in Nigeria by developing a technical assistance (TA) plan, structuring a DCA and proposing a M&E plan for banks to expand lending to priority health care providers of FP/RH. **SHOPS also determined** finance needs and business development needs of private providers in two countries, Nigeria and Malawi, and provided missions programming recommendations for increasing access to finance and strengthening market linkages.

In Nigeria SHOPS assessed potential bank partners, provided bank partner recommendations, assisted with the structuring of a health sector DCA and provided a technical assistance plan to ensure utilization and monitor FP/RH results. In Malawi, a SHOPS assessment recommended to the mission a DCA guarantee of up to \$1 million to help support increased access to finance for small-scale private providers and, potentially, to assist in structuring a nursing student loan product.

In addition, SHOPS:

- Developed a written brief for financial institutions, making the case for lending to the private health sector in light of the global financial crisis.
- Conducted one country needs assessment, in Malawi, to determine business development needs of private providers.
- Developed one new training course to build the capacity of private providers for MSI BlueStar franchises in Malawi.

The “Record-Keeping and Financial Management Guide” will address the key needs of the private, independently owned small clinics in Malawi. These clinics often struggle with cash flow issues, impacting stock management, and access to finance, as they become an increasingly important source of FP/RH and HIV/AIDS services and products in underserved areas.

Activity 3.1.5 Incorporate mobile phone-based applications to strengthen social franchises

Social franchise networks have demonstrated the potential to expand private sector participation in the provision of FP/RH services, but face challenges in scaling up operations in a sustainable way. Issues include attracting and retaining providers in the network, ongoing training and clinical updates, supportive supervision and quality assurance, and managing transactions such as referrals, voucher redemption, and bulk purchasing agreements. Bundled mHealth services through the existing mobile phone infrastructure may address all these needs, offering opportunities for innovative real-time incentives, improved tracking of services provided, client feedback, and reduced transaction costs. SHOPS will identify an existing social franchise network in a country with appropriate mobile phone penetration and franchise needs well-suited to mobile phone solutions.

Anticipated Year One outputs:

- Identify social franchise network and partners; and
- Conduct field visit to selected country to initiate pilot design.

Accomplishments during this reporting period

Through collaboration with Marie Stopes Uganda, SHOPS identified an opportunity to develop a remote learning mHealth application targeting healthcare providers within a social franchise. Based on extensive interviews with stakeholders active in mHealth projects in Uganda, a Uganda mHealth landscape was created, identifying the need for tools to strengthen health workers who may have limited clinical training or opportunities for skill development. (Using Marie Stopes Uganda health centers and outreach teams, an mLearning tool will be developed and tested to reinforce clinical training, provide continuing education and monitor quality of care by healthcare providers.) Technical partners including FrontlineSMS were identified. The application is intended to be scalable and replicable, targeting users of low-end phones and those without access to the internet.

Activity 3.1.6 Market-based solutions (MBS) for Health in Africa project

Monitor Group is conducting a 14-month, multi-country study to identify the most promising MBS to a range of development issues, including water and sanitation, financial services, agriculture, education, and health. This project, covering Ghana, Kenya, Tanzania, and South Africa, will not only identify promising business models that can serve the base of the pyramid (BoP); it will also identify key obstacles to scale for such promising models. Lead funding is provided by the Gates Foundation, along with Business Trust of South Africa and several other public and private funders. SHOPS's participation can ensure that the project scope will also encompass new and promising business models in reproductive health.

Anticipated Year One outputs:

- Conduct inventory of market-based approaches in health in all four countries.
- Identify most promising business models for achieving desired health outcomes.
- Analyze data and share initial findings with all partners.
- Conduct six to eight sessions with enterprises using the same business model, to share project findings, introduce them to capital, and identify common obstacles to scale.

Accomplishments during this reporting period:

The team has completed the following: catalogued 347 MBSs as of March 5, 2010; held two meetings with project sponsors at the end of Phase 1 for Kenya, Tanzania and Ghana, as well as one additional meeting at the end of Phase 1 for South Africa; selected five business models for further analysis; developed planned impact investment links in conjunction with the GIIN; and raised additional cost share capital to augment SHOPS contribution. SHOPS' US \$250k contribution to the study is now leveraging roughly US \$3.4M in cost-share from other project sponsors (e.g., Bill & Melinda Gates Foundation, FMO, Business Trust South Africa, IFC, Omidyar Network, Rockefeller Foundation), with additional funds still being pursued.

Phase 1 of the study has been completed in 4 of the 5 countries under analysis and Phase 2 has begun, as tailored plans for analysis of two initial business models selected for further analysis have been developed and are now underway. Additional resources were added to the business model analysis team in order to carry out the analysis in proper depth. The project is currently midway through its second phase, where the project the team is performing in-depth analysis of five of the business models found during the inventory of over 400 different examples completed in the first phase. Three of the business models have already been selected and analysis is either underway or complete – (a) models for aggregating smallholder grain farmers to increase incomes, (b) models that distribute products or services via informal channels – and especially independent agent/entrepreneur networks; and (c) models in South Africa that serve the segment too wealthy to receive government grants but too poor to be served by the formal market. In the upcoming half of Phase 2 the team will next do in-depth analysis of (d) mobile-phone enabled models in health, agriculture, etc; and (e) last mile infrastructure services, in urban water or off-grid energy, which operate based on community-level assets rather than household level assets.

Activity 3.1.7 Leveraging quality improvement efforts in Peru to include the private sector

SHOPS will conduct stakeholder interviews and meetings with professional associations and *Instituto Peruano de Paternidad Responsable* (INPPARES), a local International Planned Parenthood Federation (IPPF) branch that has extensive experience in supporting private practitioners, to develop a plan for ensuring quality among private practitioners. In the first year, SHOPS will develop a concept note for a full feasibility study on applying Jhpiego's Standards-Based Management and Recognition (SBM-R) methodology with private providers in Peru.

Anticipated Year One outputs:

- Conduct exploratory visit; and
- Draft concept paper for feasibility study as a result of exploratory visit.

Accomplishments during this reporting period.

Jhpiego's Technical Leadership Office drafted a concept note and subsequent study protocol for *Performance Improvement Recognition among Private Providers of Reproductive Health Services in Peru: Value, Preferences, and Operational Mechanisms*. The study focuses on the Recognition element of the Jhpiego's Standards-Based Management and Recognition (SBM-R) methodology. It will identify different types of private family planning providers' preferences and expectations with respect to a recognition mechanism as a component of a performance and quality improvement program. This research will be conducted in two cities in Peru, Lima and Huancayo. The study will examine how recognition can be effective in quality improvement in the different groups of private providers:

- Formally networked;
- Loosely affiliated; and
- Completely disparate.

The design and execution of the study are on target for the study's launch in Peru in early September 2010, when Jhpiego staff and a team of local consultants and interviewers will start data collection from the three factions of private providers. Challenges in the initiation phase of the project have included:

- A delay in the submission of the study protocol to Johns Hopkins University's Institutional Review Board, a necessary step due to the involvement of human subjects in the study; and
- Logistical, timeline-based barriers in the hiring of local consultants and interviewers.

3.1.8 Partnership with Bayer Schering in the Europe and Eurasia (E&E) Region

There are concerns that contraceptive security in Russia, Central Asia, Ukraine and the Caucasus may be deteriorating as a result of price hikes by contraceptive manufacturers. The region has almost no free distribution program and very few NGOs capable of serving the needs of low-income users. SHOPS will work with Bayer Schering to introduce a lower-price oral contraceptive (such as Microgynon, which will be marketed in Sub-Saharan Africa in the context of the GDA between USAID and Bayer Schering in Africa).

Anticipated Year One outputs:

- Develop concept paper; and
- Hold discussions with Bayer Schering regional reps.

Accomplishments during this reporting period:

SHOPS, USAID and Bayer Schering held a conference call on July 16, 2010 to discuss areas of mutual interest in the Eastern Europe/Eurasia region. Partnership opportunities were discussed with the objective of expanding the private sector family planning market via increased access to and use of high-quality, commercial oral contraceptives among non-users, with a focus on lower-income non-users. Russia and Ukraine were highlighted as two countries where a partnership might be particularly effective. As a next step, SHOPS and Bayer Schering agreed to draft a letter of intent, clarifying goals, opportunities, roles, mutual benefits, illustrative contributions, and conditions for partnering, by the end of August 2010.

3.1.9 Development of NGO Sustainability Index

Building on PSP-*One's* Sustainability Continuum for Social Marketing Organizations, SHOPS will develop an index to measure the effectiveness and long-term viability of organizations based on their institutional strengths. The index would help USAID and other donors focus their assistance on NGOs that meet certain sustainability scores.

Anticipated Year One outputs:

- Complete environmental scan of organizational assessment tools;
- Draft consumer questionnaire to assess clinical services; and
- Draft scoring system for index.

Accomplishments during this reporting period:

SHOPS reviewed 18 organizational assessment tools to determine which elements could be useful to incorporate into the NGO Sustainability Index. The review focused on PSP-One's Sustainability Continuum for Social Marketing Organizations, Jim Collins and Jerry Porras', "Built to Last" and McKinsey and Company's, "Effective Capacity Building in Non-profit Organizations" report and corresponding capacity assessment grid.

Based on the review results, the consumer questionnaire to assess clinical services and the external assessment tool were both drafted and reviewed by the development team. Scoring criteria for both the client survey and the external assessment were also developed.

The development team expects the tool design to be completed by the end of 2010.

Activity 3.1.10 Live Well Kenya

SHOPS will provide technical assistance to LiveWell Clinics in Nairobi, Kenya, in developing pricing and payment options for LiveWell's hub-and-spoke approach to delivering health services to the urban and peri-urban poor.

Anticipated Year One outputs:

- Produce document containing analysis of current LiveWell cost structure by key service and location, including drivers of cost and use of key assets.
- Document current payment and pricing models, and implications for LiveWell's commercial viability.
- Analyze current profitability by key service, customer segment and location (to the extent that management data are available).
- Document management priorities and perspectives on the target customer segment, on enhancing affordability and reach, and on LiveWell's profitability and growth.

Accomplishments during Year One:

SHOPS developed an in-depth understanding of the Kenyan health care sector, pertaining to LiveWell's target customer segment(s), regulatory environment, value chain, etc. The team has held key meetings with LiveWell's management and staff members, existing partners, and a customer research agency. The team has also undertaken field visits to assess LiveWell's competitive environment and current operations, and to understand target customer segment(s). Finally, SHOPS has documented LiveWell's current operating environment and competitive scenario, and thus has developed preliminary hypotheses.

Several activities are currently underway and will be complete in Year Two of SHOPS. The team is currently: conducting in-depth analysis of LiveWell's current cost structure, revenue margins and break-even footfalls; conducting benchmarking research of leading edge global innovations in service delivery pricing for BoP customer for comparison and/or adaptation to LiveWell's context; and developing an understanding of health care preferences of target customer segment(s), through customer research. This last piece will inform the choice of pricing and payment models for LiveWell and the formulation of a communication strategy.

Sub Result 3.2: Targeted private sector behavior change, communications and marketing strategies to increase access to and use of FP/RH

Objectives

SHOPS will implement an evidence-based Behavior Change Communication (BCC) methodology grounded in social science theory that reflects the many complexities of human behavior, risk perception and health decision-making. During Year One, SHOPS will focus on private providers.

Summary of key activities and outputs for Sub Result 3.2

Activity 3.2.1 Develop a marketing strategy to target BoP customers for LiveWell Kenya's low-cost commercial health clinics.

During Year One, SHOPS identified an opportunity to work with LiveWell Kenya, a low-cost commercial health clinic that is targeting the BoP. SHOPS will provide support to LiveWell in better developing the economic model to ensure sustainability, while also providing marketing support to build a brand that is easily recognized and valued by the LiveWell target audience.

Anticipated Year One outputs:

- Develop protocol for customer research; and
- Develop interview guides to identify attitudes and perceptions regarding key issues among the BoP that will inform a marketing and branding strategy.

Accomplishments during this reporting period:

By performing targeted customer research to gain a better understanding of LiveWell's target income segments, SHOPS will help LiveWell understand:

- How does the target market conceive of "quality health care"?
- What is the target market's perception of private sector health facilities?
- What is the target market's attitude and perception toward paying for health services?

A deep understanding of these key issues will inform the development of a set of recommendations for targeted marketing and communications, for identified market segments. This will be complemented by work from Monitor Group, who will use the customer research and other data to develop pricing and payment options and strategic growth options for the clinic network.

In Year One SHOPS completed the following activities related to the customer research:

- Designed the research and research protocols;
- Created a quantitative survey tool; and
- Created a set of qualitative focus group guides.

Since the end of project Year One, SHOPS has selected a Kenya-based research firm, Synovate, pretested research materials and completed data collection.

Sub Result 3.3: Strategies to improve market segmentation, viability and sustainability

Objectives

Whole market approaches (WMA) and related efforts to improve the targeting of resources across different FP/RH service delivery sectors are critical to achieving market sustainability, because they stimulate market growth and minimize the risk of unfair competition between subsidized and for-profit suppliers and service providers. Under SHOPS, we will continue to use market segmentation analysis as a tool to facilitate stakeholder consensus building, better targeting of subsidies, and overall increases in demand for FP/RH products. In addition, we will build local capacity to implement and sustain segmentation and targeting efforts within the public sector, so that WMA may become an integral part of the national FP/RH strategy.

Summary of key activities and outputs for Sub Result 3.3

Activity 3.3.1 RHSC MDA working group membership

Abt has been an integral member of the RHSC MDA working group (WG). The goal of this group is to focus on questions of the reproductive health needs of various population segments; the source of supply that might serve these segments most efficiently; and strategies for matching sources of supply to consumer demand in a sustainable way. The MDA WG is a forum that fosters global collaboration; it includes representatives of multilateral and bilateral donors, private foundations, host country governments, international and national non-governmental organizations, as well as private commercial manufacturers, consulting firms and advocacy groups. SHOPS will set aside funding for continued participation in MDA WG meetings, and will commit to participation in at least two activities that are collaboratively identified by the working group.

Accomplishments during this reporting period:

During Year One, representatives from SHOPS participated regularly in RHSC MDA working group teleconferences. Additionally, SHOPS presented “Meeting the Family Planning Needs of Young Married Couples through the Private Health Sector: Evaluation of the Saathiya Youth Friendly Initiative in urban Uttar Pradesh,” “When One Size Doesn’t Fit All: Using Client-Centered Market Segmentation Analysis to Tailor Family Planning Interventions in the Philippines” and “Building consumer markets for commercially viable products: The Locon F experience”. Based on discussions at an MDA meeting in November 2009, in which working group members at the RHSC’s annual meeting in Kampala expressed interest in learning more about the integration of technology into market segmentation strategies and interventions, SHOPS planned to develop a primer on technology with a focus on m-Health. However, the primer was postponed until year two of the project to gain input from the e-conference on mHealth that SHOPS will hold during year one.

Activity 3.3.2 Total Market Initiative (TMI)-Honduras

Abt has conducted quantitative and qualitative analysis for market segmentation in Honduras under a grant from the RHSC’s Innovation Fund. SHOPS will collaborate with this initiative by funding the second phase of the Total Market strategy in country: the preparation and implementation of a stakeholder’s meeting to be held in March 2010. This activity will include developing a market segmentation workbook for stakeholders to complete prior to and during the stakeholder’s meeting.

Anticipated Year One outputs:

- Develop market segmentation workbook; and
- Hold Stakeholder's Workshop.

Accomplishments during the reporting period:

During February 2010, SHOPS conducted key informant interviews with 27 stakeholders in order to assess what stakeholders viewed as the drivers to high unmet need and the opportunities to coordinate better and/or to improve market segmentation in Honduras. The stakeholder interviews also served as part of the TMI strategy to engage new stakeholders in national contraceptive security efforts. The Abt team interviewed core members of the contraceptive security committee, as well as new potential stakeholders from all three sectors. Sector breakdowns are as follows:

Public Sector – 7 organizations (14 interviewees)

Academia – 3 organizations (4 interviewees)

NGOs – 5 organizations (11 interviewees)

Commercial – 9 organizations (9 interviewees)

International organizations – 3 organizations (4 interviewees)

In March 2010, a one-and-a-half-day market segmentation workshop was held with over 45 participants from 30 organizations. The workshop presented an overview of the current contraceptives market segmentation, using the results and conclusions developed from a secondary analysis of DHS data and the qualitative assessment conducted by Abt under the TMI/Honduras Project in August 2009. These presentations included information on four segments of current women non-users. Also presented were a preliminary supply analysis and sub-market analysis for hormonals, condoms and services. The workshop included a session on how current reform efforts in Honduras could potentially affect family planning and contraceptive security efforts.

On the second day of the workshop, participants conducted preliminary Strengths Weaknesses Opportunities and Threats (SWOT) analyses and brainstormed possible segmentation and market expansion strategies by sector (using cross-sectoral break-out groups). At the end of the workshop, 15 strategies were presented, and the Vice Minister of Health closed the workshop with a call to action to re-invigorate the Honduran Contraceptive Security Committee, including the new and expanded stakeholder body.

Field Support: Zambia

Overview

USAID/Zambia has bought into SHOPS with \$300,000 in field support in Year One. SHOPS programming will support USAID/Zambia's health program by increasing the provision of quality MCH services and expanding the provision of family planning and reproductive health services in the private sector. This work will be a continuation of programming that began in 2006 under the USAID-funded Banking on Health project, which used a combination of core and field support funds to expand access to financing, strengthen viability and improve market linkages for the private health sector. Banking on Health conducted market research on the health sector, developed and launched a basic and advanced business training program for private providers, conducted limited technical assistance to financial institutions and worked with USAID to structure two DCAs for health care providers. The SHOPS project will build on the work of the Banking on Health project—by continuing to roll out business training for providers, and by expanding technical support to the financial institutions with new health sector DCA loan portfolio guarantees, in order to ensure that loans are disbursed to health care businesses that meet the health objectives of USAID/Zambia.

During Year One, SHOPS will provide a package of targeted technical assistance to support the DCA guarantees of African Banking Corporation (ABC) Bank and Zambia National Commercial Bank (ZANACO) and other financial institutions, as well as technical assistance to private providers to build on sustainability activities that have been initiated under the Banking on Health Project.

Objectives

The objectives of SHOPS in Zambia are to:

- Improve private providers' financial management skills, especially with respect to business planning and applying for financing.
- Strengthen financial institutions' knowledge and capability to lend to the private health sector.
- Expand access to finance for private health care providers, especially from banks with DCA guarantees for the health sector.

Work plan activities

1. Continue to build sustainability of “Improving the Health of a Medical Practice,” by evaluating the trainers’ delivery of this training course within provider associations, and by working to ensure that the training is financially sustainable.

Banking on Health certified eight trainers to deliver “Improving the Health of a Medical Practice” to their medical associations. These trainers will benefit from an assessment of their training delivery from SHOPS's master trainer. In addition, it will be important to continue to work with the medical associations on both the quality of the training and the financial feasibility of delivering the training. (These associations are the Zambia Medical Association, the Pharmaceutical Society of Zambia, the Zambia Union of Nurses, and the Clinical Officers of Zambia.)

Accomplishments during this reporting period:

- Six trainers from three different provider associations received certification to provide the course, “Improving the Health of Your Medical Practice.”
- One medical regulator has approved the SHOPS/Zambia curriculum for providers.
- The Pharmaceutical Council of Zambia has reviewed and approved “Improving the Health of Your Medical Practice” as required training during the internship year for nearly graduated pharmacists, and for continuing medical education (CME) credits for practicing pharmacists.

2. Continue to deliver “Business Planning Development for Health Businesses” trainings, and, for the graduated trainees, develop and implement a Training of Trainers (TOT) program so that they in turn can train others.

Some providers need further support in order to actually develop financial statements and apply for loans after participating in the basic financial management training. The development and delivery of “Business Planning Development for Health Businesses” has helped address this need, and SHOPS would like to continue the delivery of this course, as well as train the graduated trainees to deliver the course.

Accomplishments during this reporting period:

- SHOPS/Zambia has trained 115 private providers in business management. Increased levels of knowledge of business management range from 18-26 percent according to training assessment tests.
- 12 percent of training graduates received loan financing after the training.

3. Continue to deliver one-on-one consultation for private providers in accessing financing.

SHOPS’s banking consultant has been very active in providing individual consultation, previously implemented under the Banking on Health Project, in regard to specific issues related to loan applications as well as business plans and financial statements. He has referred health care providers to business development providers when it made sense to do so, but has also been a very important liaison between the financial institutions and both individual providers and provider associations. SHOPS recommends that he continue to provide this service to associations and providers, to build the sustainability of the relationship between financial institutions and providers and to increase access to financing.

4. Develop market linkages and agreements between financial institutions and provider associations, and between financial institutions and medical suppliers. Formalize the business development service provider links to private health care providers.

One of the difficulties facing the private health sector in Zambia is a lack of market linkages. Over the past year, Banking on Health has disseminated information to health care providers on financial management service providers and financial institutions, and worked to link health care providers to important inputs for business growth by hosting a trade fair. SHOPS believes that much has been accomplished, but to ensure the sustainability of the program, more work needs to be done to formalize linkages in order to facilitate access to finance and facilitate the growth of the private health sector.

Accomplishments during this reporting period:

- Five new contracts were made by private health care businesses with local business development firms for services such as accounting and business planning assistance.

5. Continue to disseminate market research and conduct loan product development and lender training with the two DCA Banks and new financial partners, and address specific lending constraints on an as-needed basis for participating banks.

SHOPS will focus its technical support on ABC Bank and ZANACO Bank, two banks with health sector DCAs, to help ensure that these USAID guarantees are used and that priority borrowers benefit. In general, financial institutions often do not see the opportunity to lend to the private health sector, and lack market information to assist them in developing products to meet the financial needs of private providers. Banking on Health delivered market research workshops in November 2007, to help address these issues, to four commercial banks and two microfinance institutions (MFIs). Banking on Health also initiated work with two new commercial banks: ZANACO, the largest commercial bank in Zambia, and Access Bank, a new entrant from Nigeria.

In addition to the as-yet unused health sector DCA for ABC Bank, a DCA was recently approved in September 2009 for ZANACO Bank that will include funds for health sector lending. ZANACO Bank has recently organized its Small Medium Enterprise (SME) lending department, and is interested in accessing lender training to support health sector lending. Technical assistance for ABC Bank will be important to kick off use of that bank's \$5 million DCA guarantee. Currently, there are no loans booked under the guarantee related to health sector lending. Other banks, such as Investrust, remain very interested in increasing health sector lending, and will also be provided limited technical assistance to encourage expanding lending to the sector.

Banking on Health initiated loan product development with three banks that are in the process of developing new health loan products for pharmacists. SHOPS proposes to continue to deliver technical assistance to develop these products, and to address specific constraints to lending, such as internal collateral policies.

Accomplishments during this reporting period:

The SHOPS/Zambia programming is on track to meet its project goals, with the exception of the lending activity from the two DCA supported banks ABC Bank and ZANACO. Due to the impact of the global financial crisis, internal reorganizations, and conflicting priorities, the banks have not made loans under the DCAs, to the health sector or otherwise. Year Two SHOPS/Zambia activities will place renewed emphasis on engaging the banks and expanding geographically into the Copperbelt (where 40 percent of private providers are located), with the goal of expanding utilization of the DCA guarantees for health care borrowers.

- Over \$360,000 in new loans were disbursed to private health care providers from banks working with the SHOPS/Zambia project.
- ABC Bank and ZANACO banks have received updated training presentations on lending to the health sector.
- Over 80 potential borrowers have been referred to ABC Bank and ZANACO bank for loan applications.

Field Support: Nigeria

Overview

In FY 2010, the USAID/Nigeria Mission allocated \$300,000 to SHOPS to increase the capacity of private providers in the sustainable provision and use of quality RH/FP services in Nigeria. The main objective of this funding is to build on the several years of work done in the private sector under the PSP-*One* project in Nigeria (2006 – 2009). Specifically, SHOPS/Nigeria will use these funds to conduct an assessment of potential financial institutions in Nigeria that are interested in a Development Credit Authority (DCA) guarantee, to determine if they are financially sound, and can meet the financing needs of private providers. Based on the Mission's request, SHOPS/Nigeria will also determine the technical assistance required to execute the DCA. To promote the increase of FP services, SHOPS/Nigeria, in partnership with health maintenance organizations (HMOs), AGPMPN, and the Association of General Private Nurse Practitioners (AGPNP) will continue to implement targeted on-site trainings on FP/RH counseling among selected private facilities in Lagos. Keeping in mind the benefits of behavior change communication (BCC) materials in stimulating client counseling on RH/FP methods, SHOPS/Nigeria will continue to reprint and distribute FP/RH BCC materials among private providers in Lagos. Additionally, SHOPS/Nigeria will work towards transitioning the two-day Managed Care and Family Wellness (MCFW) training to AGPMPN and provide support in completing the registration of MCFW/Access to Finance (A2F) trainings with the Medical and Dental Council of Nigeria (MDCN).

Work plan activities

1. Conduct a DCA assessment and provide technical support in structuring and signing an expanded health sector DCA Loan Portfolio Guarantee

SHOPS will work to increase access to finance for private providers by conducting an assessment of IMFB, the top candidate bank for a \$2 million loan portfolio guarantee for the health sector. SHOPS will also assist USAID/Nigeria in expanding this guarantee to up to \$10 million. The assessment will include identifying additional bank partners by vetting banks based on institutional strength, capacity, and proclivity for lending to the private health sector. Particular attention will be paid to financial stability, loan product suitability, and geographic outreach. SHOPS will assist the Mission in structuring the health sector DCA to ensure that the DCA supports the development goals of the USAID Mission. It will also develop a technical assistance and monitoring plan for the proposed DCA to ensure that loans are disbursed to priority qualified borrowers and that outcomes can be tracked. *This activity will be undertaken using SHOPS core funds as agreed to with the Agreement Officer's Technical Representative (AOTR) and USAID/Nigeria.*

Accomplishments during this reporting period:

In Year One SHOPS/Nigeria completed an assessment of six financial institutions to structure a \$10 million DCA guarantee facility, and reviewed the need for additional business management support to providers. SHOPS/Nigeria finalized its recommendation to the USAID/Nigeria Mission to structure a shared guarantee between ACCION Microfinance Limited (AMfB) and Diamond Bank, thus reaching different segments of the market including small-scale health clinics and larger hospitals. SHOPS recommended that further consideration of Lift Away from Poverty (LAPO) be

postponed until FY 2011, when they receive their microfinance license from the Central Bank of Nigeria and meet key benchmarks related to their organizational systems.

SHOPS/Nigeria supported the Mission and Office of Development Credit in finalizing the guarantee agreement by drafting sections of the action package and term sheets for both financial institutions.

SHOPS/Nigeria has also drafted a technical assistance plan for the Mission, which recommends how loans should be targeted to priority borrowers and monitored over time, and outlines the technical support that financial institutions and borrowers will need to maximize the effect of the guarantee. SHOPS/Nigeria defines a qualifying borrower as one that provides or supports the provision of FP/RH/MCH services, thus directly supporting the Mission's development objectives.

Following the global financial crisis in 2009, Nigeria's financial sector underwent increased oversight by the Central Bank of Nigeria (CBN), including the introduction of new reporting standards. This caused delays in reporting by financial institutions, which in turn affected the submission of final recommendations by SHOPS/Nigeria. Moreover, given negative publicity on the microfinance industry and one of the recommended financial institutions, LAPO, SHOPS/Nigeria conducted thorough due diligence on the institution, which delayed its final recommendation on the choice of partners and structure of the guarantee.

2. Transition the MCFW trainings to AGPMPN and provide support in completing the Medical and Dental Council of Nigeria (MDCN) registration of MCFW/A2F trainings

SHOPS/Nigeria will provide technical support to AGPMPN in the ongoing process of being accredited as a provider of MCFW and A2F courses under the Continuing Professional Development program of the MDCN, which was initiated during the PSP-*One* project period. A major part of MDCN criteria for the accreditation process is the full registration of the two courses and start-up trainings in several locations. SHOPS/Nigeria will ensure that AGPMPN fulfills all MDCN obligations for this certification process, which will further enhance the sustainability of the two training programs. SHOPS/Nigeria will also provide technical support to AGPMPN for transitioning the two-day MCFW training, and assist AGPMPN with the initial implementation of these trainings for private providers.

Accomplishments during this reporting period:

SHOPS/Nigeria continued to provide AGPMPN with technical support that had been initiated under the PSP-*One* project. Specifically, SHOPS supported AGPMPN in the ongoing process of becoming accredited as a provider of MCFW and A2F courses under the Continuing Professional Development program of MDCN, the regulatory body for medical doctors in Nigeria. SHOPS/Nigeria assisted AGPMPN with fulfilling all MDCN obligations for the accreditation process, and facilitated discussions/meetings between the AGPMPN President, Dr. Anthony Omolola, and Dr. Ibrahim of MDCN. As a result of these efforts, on July 30, 2010, MDCN accredited AGPMPN as a provider of these two courses in Nigeria.

Plans are also underway for SHOPS/Nigeria to transition the two-day MCFW trainings to AGPMPN, and help them conduct the two start-up trainings as scheduled in the work plan. This transition will not only enable a greater number of private providers to participate in the MCFW training, it will also enhance the sustainability of the training program beyond the life of the project.

The accreditation of the training courses and the transition of the trainings has been a slow process, in part due to SHOPS/Nigeria having to restart discussions with AGPMPN's newly elected senior management about completing the accreditation process in a timely fashion.

3. Reprint and distribute BCC materials

SHOPS/Nigeria will reprint FP/RH posters, client brochures, and provider job aids produced under PSP-*One*, to stimulate client counseling on FP/RH methods. The printed materials will be distributed to the facilities participating in the on-site trainings and the two-day MCFW trainings that will be conducted by AGPMPN. Providers in attendance will learn the effective use of the materials when counseling and communicating with clients on FP/RH.

Accomplishments during this reporting period:

Keeping in mind PSP-*One*'s end line survey results that women exposed to BCC materials were more than 2.5 times more likely to use contraception than women who had not seen such materials, SHOPS/Nigeria continued to produce and disseminate BCC materials among trained private providers, during the year under review. To stimulate client counseling on FP/RH methods and promote the use of FP services, SHOPS/Nigeria reprinted FP/RH posters, client brochures, and provider job aids that had been produced under PSP-*One*, and rebranded them with the SHOPS logo. Thus far, 62 FP posters, 3,900 FP brochures and 57 FP counseling charts have been distributed among 23 private facilities participating in the on-site trainings. Providers attending these trainings are instructed on the effective use of the BCC materials when counseling and communicating with clients on RH/FP. The trained health facilities were not keeping good records, so SHOPS/Nigeria developed and printed a booklet to assist them in tracking and documenting progress made in counseling clients on FP. This booklet is being distributed to every facility that participated in the on-site trainings, along with instructions for recording the key information.

4. In partnership with HMOs, AGPMPN and AGPNP, conduct on-site trainings among selected private facilities in Lagos

The PSP-*One* endline survey results had revealed that women who had seen an MCFW-trained provider were nearly twice as likely to be using a modern contraceptive method as those who had not. As indicated above, the survey also found that women who received MCFW BCC materials were two and a half times as likely to be using contraception. Overall, the evaluation found that the MCFW trainings and BCC materials made an important contribution to decreasing unmet need in Nigeria from 52 percent to 42 percent.

Keeping these results in mind, SHOPS/Nigeria proposes to work through its partners (HMOs, AGPMPN, and AGPNP) to identify and provide three-hour on-site training to private facilities whose providers have completed the two-day MCFW course. These on-site trainings were started under PSP-*One* to address providers' reluctance to leave their facilities for the two-day MCFW training. On-site trainings through SHOPS/Nigeria will be a convenient way for providers to acquire and refresh skills in FP service provision without having to leave their normal duties for an extended period of time.

SHOPS/Nigeria will work collaboratively with its partners in selecting the appropriate facilities to ensure adequate coverage and representation. The on-site training will focus on FP, and emphasize the need to counsel clients on FP methods. The training will also demonstrate the proper use of

communication materials and how providers should use these materials during counseling sessions with clients.

As with the PSP-*One* training, the providers attending these on-site trainings will not be charged a fee, but the participating facility will be responsible for releasing its staff to attend the training and ensuring that a conducive training environment is available.

SHOPS/Nigeria expects to conduct 20 on-site trainings in Lagos State in the remaining three quarters of FY 2010, which will be attended by at least 120 staff from private facilities.

Accomplishments during this reporting period:

During Year One, SHOPS/Nigeria joined forces with its HMO partner, (THT), AGPMPN, and officials from the AGPNP to conduct targeted on-site trainings in FP counseling for private providers enrolled with the National Health Insurance Scheme (NHIS), and to build these providers' capacity. These on-site trainings, as compared to the two-day MCFW training, have the advantage of reaching a maximum number of clinical providers who do not have to leave their facilities to receive training on key FP issues. Facilities that have completed PSP-*One*'s two-day MCFW or Quality Improvement training are eligible to receive this three-hour on-site training under SHOPS/Nigeria. Thus far, a total number of 399 staff from 23 private facilities have been trained on FP counseling through these on-site trainings. The encouraging number of clinical providers at these trainings is a testimony not only to their own interest in enhancing their capacity regarding counseling of clients, but also to the commitment of the facility owners in ensuring maximum participation at these trainings.

A major challenge facing the quality of service at private facilities is the disproportionate balance between the number of registered nurses versus auxiliary nurses. The on-site trainings revealed that the majority of the private facilities have a ratio of 3 registered nurses to 20 auxiliary nurses in their employee register. The auxiliary category comprises privately trained nurses that are not registered with the Nursing Regulatory Council of Nigeria. During these on-site trainings, SHOPS/Nigeria trainers reinforce the importance of quality, and in the process they highlight the need for the auxiliary nurses to refrain from delivering some clinically complex FP methods, including long-acting and permanent methods like the intrauterine device (IUD) and implants.

5. Provide technical assistance to support use of DCA loan portfolio and monitoring

At the conclusion of the above DCA assessment, SHOPS/Nigeria will recommend interventions aimed at increasing lending to priority private providers among DCA partner banks and effectively monitoring results. These activities, designed in collaboration with USAID/Nigeria, will be implemented using SHOPS core funds, to supplement the field-supported activities. Illustrative technical assistance activities include:

- Bank training on lending to the health sector.
- Bank workshops on the private health sector, including the risks and benefits of the sector and a description of business models.
- Provider trainings in access to finance, business planning, and managing the financing of new and expanded activities.
- A project monitoring plan and implementation, including the use of pre and post training surveys, provider baseline and follow-up surveys of business, and FP/RH service results.

Accomplishments during this reporting period:

As had been specified in the work plan, SHOPS/Nigeria drafted a technical assistance plan for financial institutions and borrowers, which will support utilization and monitoring of the guarantee facility. SHOPS/Nigeria has recommended that the first priority in this context should be technical support to financial institutions so that they institute the necessary systems, strategies and products to reach intended borrowers. Per the direction of the Mission, SHOPS/Nigeria will initiate technical assistance to partner financial institutions and borrowers after the guarantee agreement is signed.

Unavoidable delays associated with the structuring of the guarantee mentioned above mean that the guarantee itself will not go into effect until August or September 2010.

Field Support: Paraguay

Overview

In Year One, USAID/Paraguay requested SHOPS to conduct a private sector assessment in order to gain a better understanding of the dynamics of the family planning (FP) marketplace in Paraguay. The SHOPS assessment and subsequent programming are seen as necessary next steps in Paraguay's successful graduation from donor support in FP. The findings and recommendations from the private sector assessment were used to design the SHOPS/Paraguay activity to support organizations and mechanisms which will maintain an optimal market mix between the public sector, private commercial and private non-profit sectors using a Whole Market Approach. The SHOPS Paraguay activity is specifically designed to sustain and improve the sustainability of contraceptive security through: market segmentation and targeting, NGO strengthening, improved FP/RH services at the national social security institute (IPS) and improving coordination between sectors.

Work plan activities

USAID/Paraguay allocated \$200,000 in Year One to SHOPS in order to implement the following activities:

1. Conduct market segmentation research and data analysis using IMS and DHS data and carry out in-country private sector assessment

The main focus in Year One was the execution of a private sector assessment and the analysis of existing market segmentation data in order to produce an assessment report including a market segmentation analysis of Paraguay's FP marketplace and recommendations for SHOPS Paraguay program design. The assessment intended to inform USAID/Paraguay and the SHOPS Project on the following:

- The current status of the private family planning market in Paraguay (NGO and commercial)
- The interaction between the public and private sectors with regards to FP (including reviewing current public policy towards the private sector)
- The normative issues and current barriers to optimizing private sector participation in the FP marketplace
- Possible areas of support necessary to ensure successful FP graduation, with particular focus on two key actors- *Centro Paraguayo de Estudios de Población* (CEPEP- the Paraguayan IPPF-affiliate) and *Instituto de Previsión Social* (IPS-Paraguayan Social Security Institute).

Accomplishments during this reporting period:

During the first quarter of 2010, SHOPS conducted a private sector assessment of the Paraguayan contraceptives marketplace. SHOPS fielded a three-person team which conducted over two dozen key informant interviews from the public, NGO, and commercial sectors. Additionally, the assessment team analyzed 1998, 2004, and 2008 RHS data and retail pharmacy sales data from IMS, as well as a custom condom market study developed by IMS. The private sector assessment demonstrates that Paraguay currently enjoys favorable market segmentation in FP and dispels concerns that rapid expansion of public sector provision negatively impacted market segmentation.

The assessment reveals that segmentation actually improved as the public sector grew, in terms of sourcing by wealth quintile, method mix, and product offering and price variation. Users from the lowest two wealth quintiles were more likely to source from the public sector and users from the upper two wealth quintiles were more likely to source from the private sector. The public sector expansion reached those who were previously underserved – namely from the lowest two wealth quintiles in rural areas, particularly from the north. The draft report was submitted to and reviewed by USAID/Paraguay and has been approved for publishing. The report is currently in the finalization process (editing and publish-grade formatting) and should be available in the coming weeks.

2. Propose a set of recommendations for SHOPS Paraguay programming

The SHOPS private sector assessment set out to inform both USAID/Paraguay and the SHOPS project on the status of the private-public mix of Paraguay's contraceptive marketplace as well as outline potential areas for SHOPS to provide technical assistance. These recommendations would both drive the program's design as well as contribute to the development of the activity's benchmarks and indicators.

Accomplishments during this reporting period:

A strong set of recommendations were derived from the private sector assessment and market segmentation analysis identifying key areas and actors to focus on in the design and implementation of the SHOPS Paraguay program. SHOPS Paraguay will focus on strengthening two important actors, CEPEP and IPS, who are in need of support in the areas of capacity building, sustainability, and strategic planning. SHOPS/Paraguay interventions will also focus on sustaining the current market segmentation as it exists through technical assistance and support to CEPEP and IPS and looking at an expanded DAIA membership and role.

Additionally, SHOPS participated in the strategic planning process for the new DAIA Strategic Plan 2011-2015. SHOPS' was able to successfully incorporate many aspects of the Whole Market Approach into the new strategic plan; including expanded private sector membership, the possibility of a revised structure which more appropriately reflects all three sectors and involves strategic participation of key decision-makers, an expanded DAIA purpose beyond public sector procurement and logistics to the overseer of the Whole Market Approach and DAIA's own self-sufficiency after USAID graduation.

HIV Core Funded Activities and Accomplishments

Overview

Much less is known about the role of the private commercial sector in HIV/AIDS services than is known about its role in FP/RH. This is largely because the epidemic dictated an emergency response, in which donors concentrated on providing essential services through the public and NGO sectors. As the global response evolves toward ensuring sustainable country programs, and in light of the increased focus on sustainability put forth in the reauthorization of the President's Emergency Plan for AIDS Relief (PEPFAR), gaining a better understanding of the private sector's capacity to contribute to the response is warranted. PSP-*One* began to address some of the gaps in knowledge about the private sector's role in addressing HIV/AIDS needs, but questions remain about private sector capacity, quality of care, promising financing mechanisms, and the effect of public/private partnerships on equity and access to care, to name a few. In Year One, SHOPS HIV/AIDS activities will continue to build the knowledge base (i.e. Result 2), and also move toward field implementation (Result 3). With respect to global collaboration, the SHOPS team will identify and participate in HIV working groups and electronic mailing lists, and develop relationships with key HIV/AIDS stakeholders. This will establish a foundation for global advocacy efforts related to the private sector in subsequent years.

Please note: This report includes accomplishments and spending as of June 30, 2010. The HIV core-funded year officially ends on September 30, 2010.

Result 1: Strengthened Global Support for SOTA Private Sector FP/RH and HIV/AIDS Approaches, Products, and Services

Overview

Result 1 focuses on three strategies to build support for collaborating with the private health sector: form new alliances with European donors and large foundations; build public sector capacity to interact with and engage the private health sector, and implement mainstreaming efforts at the country level—working with USAID and local stakeholders—through policy dialogue and partnerships. In Year One, SHOPS will focus on beginning to build relationships with global HIV/AIDS stakeholders and their implementing partners, as well as engage country governments to increase awareness and understanding of the role of the private sector in addressing HIV/AIDS.

Summary of key activities and outputs for Result 1

Activity 1.1 Establishing Alliances with Global HIV/AIDS Stakeholders: Develop European Mainstreaming Strategy and High-Level events

SHOPS will build working relationships with key HIV/AIDS donors such as the Global Fund, UNAIDS, World Bank and USAID to mainstream the concept of working with the private health sector as an effective strategy to address implementation challenges associated with HIV/AIDS. In Year One, SHOPS will establish the relationships and begin the dialogue process, with the goal of identifying promising private sector models to document/implement in future years. SHOPS will also strengthen the PSWG to advance the global health community's understanding of how to engage the private health sector in HIV/AIDS.

Anticipated Year One outputs:

- SHOPS will participate in HIV/AIDS working groups and meetings.
- Establish relationships with key contract with global HIV/AIDS stakeholders.
- Identify potential activities to implement with new HIV/AIDS stakeholders in subsequent years.

Accomplishments during reporting period:

As part of a larger landscaping exercise funded by Office of Population Core Funds to identify global partners for collaboration, the SHOPS team identified several new partners and contacts in the HIV/AIDS arena. During a recent trip to Geneva, SHOPS staff met with the private sector teams at UNAIDS and the Global Fund. At these meetings, the SHOPS team and the private sector teams at these agencies discussed possible areas of collaboration, including developing a toolkit to increase private sector participation in Country Coordinating Mechanisms, participation in SHOPS workshops to learn more about working with the private health sector, and conducting joint private health sector assessments.

Activity 1.2: Adapting the WHO health systems strengthening framework to articulate the role of the private sector

In the context of working toward sustainable country programs and promoting effective stewardship of the private sector, SHOPS and Health Systems 20/20 (HS20/20) will collaborate to develop a framework for understanding and maximizing the contributions of the private health sector, using a health systems approach. This collaboration will help to demonstrate private sector applications within the WHO health systems framework, to guide HIV/AIDS policy makers in the development of public-private partnerships that leverage the private sector to achieve policy objectives in the areas of HIV/AIDS and health systems strengthening. The framework will be accompanied by a policy brief to orient governments, global HIV/AIDS stakeholders and practitioners.

Anticipated Year One outputs:

- Develop a framework that articulates private sector applications to HIV/AIDS within the six Health Systems Strengthening Building Blocks.
- Develop a 4-8 page brief on private sector applications to HIV/AIDS within the six Health Systems Strengthening Building Blocks.
- Disseminate information on the SHOPS and HS20/20 websites, and relevant HIV meetings and global conferences.

Accomplishments during reporting period:

In Year One, the SHOPS team, in collaboration with HS20/20, conducted a review of health system frameworks. Based on this review and consultation with health system and private sector experts, the SHOPS team produced a brief that describes a framework for understanding the role of the private sector in the WHO health systems framework, and also presents private sector HIV/AIDS applications that can strengthen health systems. The brief has been reviewed internally and by external reviewers who are experts on health systems and the private sector. It should be completed by September 2010, and will be disseminated on the SHOPS and HS20/20 websites. In addition, we will seek other opportunities for dissemination, such as the WHO Global Symposium for Health Systems Research.

Activity 1.3 Strengthen Network for Africa (N4A) platform

SHOPS has joined forces with the HS20/20 project to sponsor a three-day workshop to explore lessons learned on different African private health sector models in HIV/AIDS. In addition, this technical exchange will focus on the stewardship capacity that African Ministries of Health will require to effectively engage the private health sector on issues related to HIV/AIDS.

Anticipated Year One outputs:

- One three-day workshop;
- Meeting report with narrated PowerPoint presentation to become a webinar on N4A website;
- Action plans developed by country teams; and
- Expand the number of member countries.

Accomplishments during reporting period:

SHOPS and HS20/20 have made great progress towards organizing the private health sector technical exchange. The teams completed the concept note outlining the general approach to the three-day regional workshop, which has been approved by both projects' AOTRs. SHOPS and HS20/20 will invite a delegation of four participants (two from the private sector and two from the public sector) from eight countries. Currently Uganda, Kenya, and Tanzania are confirmed; tentative additional countries include Namibia, Rwanda, Malawi, Ghana, Zimbabwe, and Zambia. The team has received tentative agreement from the Health in Africa project to co-sponsor three to four country teams to attend the technical exchange. The venue has been secured—the Serena Hotel in Mombasa, Kenya for November 8-10; Mission approval is pending. The Global Fund may also add funds to sponsor one member from the CCM to attend this workshop. A draft agenda is currently under development that focuses on public sector stewardship and health system strengthening.

Result 2:

Knowledge about and understanding of private sector provision of FP/RH, HIV/AIDS, and other health information, products, and services advanced

Overview

A strong evidence base is critical for successfully advocating an increased private sector role in health as well as for designing effective programs. Activities under this result will involve generating, analyzing and disseminating essential information related to strengthening commitment to the private health sector and support and programming for the private sector. During Year One, SHOPS will build on the strong knowledge and dissemination base established under PSP-*One*. SHOPS will advance knowledge about the role of the private sector through innovative uses of existing data and research. SHOPS will also increase the project's visibility within the HIV/AIDS community, through strategic participation in global events. The primary goal of global dissemination is to raise evidence-based knowledge about the current role and future potential of the private sector in HIV/AIDS services, as well as addressing persistent misconceptions about the ability of the private sector to respond meaningfully to the HIV/AIDS pandemic.

Summary of key activities and outputs for Result 2

Activity 2.1: Building the evidence base on contracting-out with for-profit providers for HIV/AIDS-related services

During Year One, SHOPS proposed a combination of secondary review and primary data collection to map the features, costs and effectiveness of one selected promising model of contracting-out for HIV/AIDS-related services. The BroadReach Health Care (BRHC) model for down-referral of antiretroviral therapy (ART) in the North West province of South Africa was identified as a promising candidate for this activity.

Anticipated Year One output:

- Final report documenting contracting-out for HIV/AIDS-related services in one country, with recommendations for scale-up and expansion of this model.

Accomplishments during reporting period:

Literature review: During Year One, the SHOPS team completed a review of the gray and peer-review literature on contracting-out for HIV/AIDS and tuberculosis (TB) services with for-profit providers. The review uncovered few well-documented instances of contracting-out with for-profit providers for HIV services like ART and voluntary counseling and testing (VCT). Moreover, most of the available literature focused on “soft” drugs-for-performance contracts with private practitioners for TB treatment, rather than more-formal contracting-out approaches. The SHOPS team will incorporate lessons learned from this review in the final report produced for the contracting-out activity.

Case studies of innovative contracting-out models for HIV/AIDS-related services: In Year One, the SHOPS team commenced a case study of the innovative BRHC down-referral model for ART in the North West province of South Africa. The case study incorporated primary data collection, and existing secondary information, on the model and its impact in South Africa. Primary data collection included key informant interviews focused on gauging the relevance of the model and the potential for scaling up/replicating and sustaining the model in the South African context. Data collection is currently ongoing and on schedule. A final case study of the BRHC model is expected by the end of September 2010.

Identifying case study candidates for Year Two: The SHOPS team has identified potential candidates for future case studies of contracting-out models for HIV/AIDS-related services, and has initiated preliminary discussions on feasibility with model implementers. These include:

- (1) The Right-to-Care Thusong Model for ART through private sector providers in South Africa. Among its other innovations, the model enables cross-subsidization between corporate clients and poor ART patients.
- (2) Contracting-out for health services between the Ministry of Health in Lesotho and Netcare, a large South African private sector firm. HIV/AIDS prevention and treatment services are a part of the package of comprehensive hospital and primary care clinic services provided under a lump sum contract with performance-linked payments.

Activity 2.2: Disseminate PSP-*One* Zambia VCT Study Results in Peer-Reviewed Publication

PSP-*One*'s recently completed study about VCT practices in four sectors in Zambia contributes to the evidence base in several key ways:

1. Systematically documenting for the first time the role and utilization of the private for-profit sector for VCT services in Copperbelt and Luapula.
2. Comparing quality of care and performance of all key sectors of the health system for VCT.
3. Proposing a framework for evaluating the quality of VCT.
4. Identifying methodological challenges and possible strategies for accurately gauging the quality of VCT services.

These findings are useful to the broader public health community, as well as to research methodologists in health care service provision. SHOPS will adapt findings for publication in a peer-reviewed journal with the goal of broader readership by practitioners and academics. Key targeted journals include: *Journal of the International AIDS Society*, *The Lancet*, *AIDS and Behavior*, *AIDS Education and Prevention*, or *African Journal of AIDS Research*.

Anticipated Year One output:

- Manuscript submitted to journal (publication would likely occur in Year Two given typical review process)

Accomplishments during reporting period:

SHOPS drafted a manuscript of key findings from the 2009 PSP-*One* study of VCT quality in the public, private for-profit, non-profit, and faith-based sectors of the health system in Zambia. The manuscript was presented to three Abt Associates Fellows (highest-level methodological and research oversight staff at Abt Associates) in June 2010. The Fellows suggested splitting the draft article into two separate articles (with an agreement to fund the second article about research methods through Abt corporate funds). The Fellows advised focusing the first (SHOPS-funded) article predominantly on the relationship between multiple concurrency and VCT counseling practices in Zambia based on PSP-*One* study results. This revised manuscript is currently being drafted and will be submitted to a peer-reviewed journal in September 2010.

Activity 2.3: Advancing Knowledge about the Role of the Private Sector in HIV/AIDS Financing and Service Provision

The SHOPS team has pursued opportunities to advance global knowledge and address misconceptions about the role of the private sector in HIV/AIDS service delivery. Global, high-level conferences with a peer-reviewed abstract selection process present a forum to reach large numbers of policy-makers, practitioners and donors

Anticipated Year One output:

- Dissemination of private sector HIV/AIDS research at international conferences and meetings

Accomplishments during reporting period:

To date, SHOPS has participated in several knowledge-generating activities. The Private Sector HIV/AIDS Advisor, Sara Sulzbach, joined the Office for HIV/AIDS (OHA) Planning Committee to help shape content for the upcoming OHA Partners' Meeting between USAID, OGAC and Implementing Partners. Additionally, SHOPS staff helped to plan and develop content for a Health Systems Strengthening pre-conference session prior to the International AIDS Conference in Vienna, Austria. Dr. Tesfai Gabre-Kidan, Chief of Party for the Abt-led Private Health Sector Program in Ethiopia, delivered a presentation at the pre-conference session highlighting the expansion of affordable HIV and TB services through the private sector in Ethiopia. The presentation focused on opportunities for high-quality service delivery through the private sector, as well as challenging and compensating strategies for working with the private health sector. Additionally, Ilana Ron, Private Sector Specialist for SHOPS, delivered two poster presentations of PSP-*One* research findings about the comparative study of VCT in Zambia— in Vienna at the main International AIDS Conference and at the International AIDS Economist Network pre-conference symposium.

Result 3:

Key private health sector systems strengthened and innovative private sector FP/RH, HIV/AIDS, and other health programs implemented and scaled up

Overview

Throughout the life of project, the SHOPS team will ground private sector strategies in a solid understanding of a country's health system and to help identify private sector opportunities that address long-standing challenges, promote promising approaches, and advance the next generation of innovations. During Year One, SHOPS will identify promising field-based interventions that improve the role of the private sector in HIV/AIDS service delivery and take initial steps to ensure results by the end of the project. Proposed activities include country assessments, as well as adding an HIV/AIDS focus to already planned field activities.

Summary of key activities and outputs for Result 3

Activity 3.1: Private Sector Assessments

SHOPS will undertake Private Sector Assessments in two to three countries in Year One, with the overall goal of gaining a better understanding of private sector contributions to the national HIV response and identifying opportunities to maximize the role of the private sector, ideally in partnership with government efforts. Mobilizing local resources will be particularly critical to countries slated for graduation from PEPFAR. Specific areas to explore may include service provision, regulatory constraints, financing mechanisms, PPPs, drug procurement, supply chain and distribution, and multinational and SME engagement.

Anticipated Year One outputs:

- Assessments conducted in 2-3 countries (Namibia; India, Vietnam or Tanzania if possible).
- Results of assessment will ideally lead to field-funded TA in Year Two.

Accomplishments during reporting period:

SHOPS conducted its first private sector assessment in Namibia, with a focus on HIV/AIDS. This assessment will serve as a prototype for future assessments, which will be tailored to address specific areas of interest or concern in selected countries. A phased assessment will be conducted in Vietnam, starting with a synthesis of existing information (including the Pathfinder provider mapping conducted in 2007, and a recent assessment funded by the Rockefeller Foundation related to the private health sector). This desk review will analyze current knowledge about the role of the private sector in Vietnam, identify information gaps in light of national health goals, and recommend an approach to filling these gaps to obtain a more complete and up-to-date understanding of the private sector and its potential to contribute to health systems strengthening and HIV/AIDS objectives. The desk review will be completed by the end of September 2010, and next steps will be discussed in October.

It should be noted that SHOPS originally planned to do an assessment in India. However, under new Mission leadership that prefers to use local bilaterals rather than global projects for activities of this nature, this assessment was not done.

Activity 3.2: Standardize Tools and Procedures for Private Sector Country Assessments

During the past five years PSP-*One* conducted several country assessments. In doing so, it drew from existing tools such as the CMS “Handbook for Conducting Private Sector Assessments.” However, these adaptations of existing tools were never consolidated into a single new tool. SHOPS proposes to develop an adapted assessment tool, incorporating modifications to the CMS manual that were field-tested under PSP-*One*, and aligning with the emphasis on health systems put forth in the PEPFAR reauthorization. This activity will be conducted in tandem with related SHOPS Year One activities (private sector assessments and modification to the Health Systems Assessment), to minimize costs.

Anticipated Year One Outputs:

- Development of assessment tool (electronic format).
- Dissemination of tool on SHOPS website and other relevant websites; presentation at USAID and/or OGAC.

Accomplishments during reporting period:

The private sector assessment tool has been conceptualized and will be modeled after the Namibia private sector assessment. A draft of the tool (in electronic format) will be available in November for review and input, and it will be finalized in December 2010. If desired, hard copies of the final tool could be produced with additional funds in Year Two.

Activity 3.3: Enhancing Private Sector Inputs, Analysis and Reporting for HS20/20 Health Systems Assessments

The private health sector is a vital component of a well-functioning national health system. SHOPS is working closely with Abt’s HS20/20 project to enhance the private sector components of the Health Systems Assessment (HSA) through incorporating modifications in each module. Content areas to be added include supply chain assessment; private sector provision of all types of HIV/AIDS services (e.g., HCT, PMTCT or care and treatment); and quality assurance practices employed by the private sector. These modifications will serve to better understand and measure the role of the private sector for HIV/AIDS services within the overall health system for countries that may not implement a full Private Sector Assessment.

Anticipated Year One outputs:

- Private sector revisions made to introduction of module and each of six HSA modules.
- Pilot revised HSA in one country; report to include enhanced PS analysis and write-up.
- Results of pilot to inform final version of HSA for implementation in FY11 and beyond.

Accomplishments during reporting period:

SHOPS revised five out of six modules in the USAID-funded Health Systems 20/20 Manual for HSAs. There is new private sector content in all modules but the Human Resources for Health (HRH) module. The HRH module is receiving an extensive rewrite and additional input from the Capacity Plus project. Pending these revisions, SHOPS will review the HRH module for additional private sector content. HS20/20 is in the process of making methodological/process improvements to the structure of the Manual to make each individual indicator, including the private sector indicators, more clear and defined. SHOPS proposed that there should be a separate private sector summary page for each module, so that HSA team members may more easily find the private sector information. These revisions are currently being vetted by a broad range of stakeholders from USAID, Cooperating Agencies, and international health organizations. The revised HSA Manual, including the new private sector components, will be launched and disseminated in November 2010. Piloting the revised HSA in one country will be contingent upon receiving additional country buy-in to conduct an additional HSA through HS20/20 using the revised Manual in Year Two.

Activity 3.5: Expanding Human Resources for HIV/AIDS through an Affordable Student Loan Product

SHOPS is continuing work started under the Banking on Health Project to improve education financing options for students to enroll in medical training institutes, thus building the health workforce. Given that this is largely an untested approach, SHOPS will study and document lessons learned throughout the process.

Anticipated Year One outputs:*Enhance the Uganda Pilot Initiative*

- Review and negotiation of product terms with Equity Bank completed.
- Partnerships for job placements with district health authorities in the Mbarara district explored.
- Development of partnering opportunity with one other training institute.
- Expansion of pilot to one other financial institution in Uganda explored.

Document Lessons Learned

- Written brief documenting lessons from Uganda in developing education loans for the health sector completed.

Identify One Other Country for Replication

- Report on results of desk research to identify a new country and short list of other countries suitable for replicating this pilot conducted (conceivably in Year Two).

Accomplishments during reporting period:*Enhance the Uganda Pilot*

Early developments in Year One shifted the course of programming for SHOPS in Uganda. Equity Bank had a change in leadership, and the new leadership was not as supportive of the initiative; they also underwent a change in their lending approach and increased collateral requirements for micro and small-scale borrowers, thus limiting access to the education loan.

SHOPS has broadened discussions with financial institutions in Uganda and has approached Equity Bank, Centenary Bank, Uganda Agency for Development (UGAFODE), and The Bangladesh Rehabilitation Assistance Committee (BRAC) Uganda. SHOPS has taken a three-pronged approach to create more-conducive lending conditions for a prospective bank partner. SHOPS has started to

explore linkages with district health authorities to arrange job placements for students after obtaining their certificate—mitigating risk for the lending institution and building the workforce in hard-to-reach areas. The central ministries and district authorities have shown initial interest in launching a pilot in the Western region of Uganda. In addition, SHOPS is exploring the willingness of donors and ministries to guarantee loans made to students. Towards this end, SHOPS is pursuing discussions with USAID/Uganda to structure a DCA guarantee, and has also initiated discussions with the Ministry of Health to consider a partial guarantee for students working in hard-to-reach areas. Finally, SHOPS is identifying sources of capital for a revolving loan fund that will help financial institutions make longer term loans. The Acumen Fund has made a preliminary offer of support to lend to a financial institution, contingent on technical support from SHOPS on product development and marketing. SHOPS has also made an initial request to the district health authorities to contribute to a loan fund. Alongside these discussions, SHOPS has met with two additional training institutes that are very interested in joining this initiative, and is currently collecting data from all registered private institutes. SHOPS is working closely with the USAID-funded Uganda Capacity Program in Uganda, especially with regard to obtaining public sector buy-in.

The next steps needed to launch the pilot include continuing discussions with Acumen Fund, identifying a partner financial institution, and supporting the institution's attempt to develop or refine a loan product and market the facility. With regard to the public sector, SHOPS will work closely with the Uganda Capacity Program, to solidify support among identified districts and the central ministry for the creation of job placements and for contributions to a loan fund. Finally, SHOPS will continue to seek support for a guarantee facility from the Ministry and/or donors. This activity is expected to carry through to the end of Year Two.

Document lessons learned

Given the change in course discussed above and delays in getting the Uganda pilot underway, documentation of lessons learned will be postponed until after the pilot is initiated. Early lessons will be documented in the first quarter of Year Two.

Identify one other country for replication

SHOPS will begin the desk review to identify a second country to replicate an education loan financing facility in Year One. Programming in another country will begin in the second half of Year Two.

Annex A

The following is a listing of SHOPS travel during Year One.

Start Date	End Date	Traveler	Country	Q	Reason for travel
8-Jul-10	9-Jul-10	Mike Kubzansky	Kenya	1	Kick off project and gather relevant pricing data from LWC and other clinics
19-Jul-10	25-Jul-10	Aneesa Arur	South Africa	1	Monitor data collection for HIV contracting activity; explore potential contracting cases for year two
26-Jul-10	8-Aug-10	Barbara O'Hanlon	Kenya	1	Facilitate policy reform workshops and finalize PPP Unit TORS and Year One WP
2-Aug-10	20-Aug-10	Bruno Benavides	Peru	1	To identify effective and sustainable mechanisms for implementing recognition
29-Nov-09	11-Dec-09	Kim Mckeen	Zambia	2	TA planning for DCA banks and workplanning with USAID mission
12-Feb-10	27-Feb-10	Francoise Armand / Dawn Crosby / Barbara O'Hanlon	Paraguay	3	Design the market segmentation activity
19-Feb-10	4-Mar-10	Taara Chandani	Nigeria	3	Risk assessment and DCA expansion planning
18-Apr-10	1-May-10	Meaghan Smith	Tanzania	3	Conduct PS assessment and design FS program
28-Jun-10	16-Jul-10	Bruno Benavides	Peru	3	Expansion of SBM-R to private providers in Peru
January		Taara Chandani	NYC - DC	3	Project management meetings
8-Mar-10	9-Mar-10	Taara Chandani	NYC- DC	3	Project management meetings
4-Apr-10	10-Apr-10	Bruno Benavides	Peru	4	Assess possibilities to implement an intervention to improve quality of RH/FP private health services and meet with key personnel
18-Apr-10	29-Apr-10	Taara Chandani	Uganda	4	Initiate year one programming with banks, training center, and local govt
18-Apr-10	1-May-10	Meaghan Smith / Nancy Natilson	Tanzania	4	Assess finance and business development of private providers
19-Apr-10	24-Apr-10	Lisa Tarantino	Zambia	4	Support FS activities and discuss mission buy in for Year Two
17-May-10	29-May-10	Nancy Natilson	Malawi	4	To contribute technical know-how to the development of business management training materials for MSI BlueStar franchise owners
22-May-10	4-Jun-10	Meaghan Smith	Malawi	4	To contribute technical know-how to the development of business management training materials for MSI BlueStar franchise owners
24-May-10	31-May-10	Ruth Berg	Europe	4	Discuss strategic partnerships with European donors and invite them to participate in PSWG
24-May-10	31-May-10	Barbara O'Hanlon	Europe	4	Discuss strategic partnerships with European donors and invite them to participate in PSWG
5-Jun-10	19-Jun-10	Francisco Gonzales	Paraguay	4	Open site office
15-Jun-10	18-May-10	Anant Kumar	India - US	4	Participate in GHC
15-Jun-10	16-Jun-10	Taara Chandani	NYC - DC	4	Participate in GHC
15-Jun-10	16-Jun-10	Vicky Hausman	NYC - DC	4	Participate in GHC
15-Jun-10	18-Jun-10	Liza Kumbo	Kenya - US	4	Participate in GHC

Annex B

The following is a listing of subcontracts expended during Year One.

Subcontractor	Year One Obligated Amount
Banyan Global	\$930,963.00
Marie Stopes International	\$220,821.00
O'Hanlon Health Consulting	\$313,271.00
Monitor Group	\$695,000.00
Jhpiego Corporation	\$200,000.00